

Section 7 – APPENDICES

Content:

City departments develop overarching principles and directions for each of the three major investment areas. See *Section 4.2.1 – City of Seattle Approach to Housing, Community Development and Response to Homelessness* (in the Section 4 - Strategic Plan) for those principles in terms of a *general approach* to strategies that are listed in detail in the Four-Year Matrix.

In addition to the City's general approaches to the strategies, City departments provide policies and/or guidelines that govern the *implementation* of a given housing project, neighborhood revitalization effort, or homelessness response program. The following Appendices assist non-profit developers, program administrators and the public to understand the rules applied to different types of projects funded through the four federal grants (CDBG, HOME, HOPWA and ESG).

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7.1 Housing related implementation policies

7.1.1 Appendix A - 2008 HUD Income Eligibility Guidelines

U.S. Department of Housing & Urban Development (HUD) 2008 Income Limits

References in the Housing Market chapter and other parts of the Consolidated Plan to “AMI” (area median income) indicate an income standard different from the Seattle median income (Housing Market section, Note 1). The median family income for the Seattle area is published annually by the U.S. Department of Housing & Urban Development (HUD). In order to determine income limits for subsidized housing, the Office of Housing adjusts the median family income according to household size, based on a method used by HUD. The income limits are used for administration of the majority of Seattle’s subsidized housing programs. The following table shows the 2008 income limits for the Seattle-Bellevue HUD Metro Fair Market Rent Area (HMFA), which includes both King and Snohomish counties.

2008 Income Limits (as published by HUD)

Income Limits						
Family Size	Percent of Median Income					
	30%	40%	50%	60%	65%	80%
1 Person	\$ 17,100	\$ 22,800	\$ 28,500	\$ 34,200	\$ 37,050	\$ 43,050
2 Persons	\$ 19,500	\$ 26,040	\$ 32,550	\$ 39,060	\$ 42,315	\$ 49,200
3 Persons	\$ 21,950	\$ 29,320	\$ 36,650	\$ 43,980	\$ 47,645	\$ 55,350
4 Persons	\$ 24,400	\$ 32,560	\$ 40,700	\$ 48,840	\$ 52,910	\$ 61,500
5 Persons	\$ 26,350	\$ 35,160	\$ 43,950	\$ 52,740	\$ 57,135	\$ 66,400
6 Persons	\$ 28,300	\$ 37,760	\$ 47,200	\$ 56,640	\$ 61,360	\$ 71,350
7 Persons	\$ 30,250	\$ 40,360	\$ 50,450	\$ 60,540	\$ 65,585	\$ 76,250
8 Persons	\$ 32,200	\$ 42,960	\$ 53,700	\$ 64,440	\$ 69,810	\$ 81,200

7.1.2 Appendix B - Use of HOME funds, including ADDI

The 2009 HOME funding allocation to the City of Seattle is estimated to be \$4,142,653. The following table summarizes planned use of estimated HOME allocation funds for 2009.

Estimated 2009 HOME Program Allocation			
Program	Population Served	Funding	User of Funds
RENTAL PROGRAMS			
Rental production & preservation	Low-income families and individuals	\$2,610,874	Affordable housing developers
Rental assistance	Low-income families and individuals	\$205,947	Non-profit service providers
Rental Total		\$2,816,821	
HOMEOWNERSHIP PROGRAMS			
Homebuyer assistance	Low-income homebuyers	\$911,567	Nonprofit agencies, private and for-profit developers and mortgage lenders
Homeownership Total		\$911,567	
ADMINISTRATION		\$414,265	City of Seattle (HUD allows 10% of non-ADDI funds to be used for admin.)
TOTAL		\$4,142,653	

Please refer to the *Homebuyer Assistance Program Policies* section of Appendix H of this Consolidated Plan for information on planned use of HOME homebuyer assistance funds and guidelines related to recapture/repayment, refinancing, targeted outreach, and education and counseling.

7.1.3 Appendix C – Housing Policies

Appendix H, Housing Policies in the 2005-2008 Consolidated Plan, is amended to read in its entirety as follows:

The policies outlined in this Appendix C to the 2009-2012 Consolidated Plan pertain to all capital funds administered by the Seattle Office of Housing (OH) unless otherwise noted. Policies for rental assistance funds administered by OH and the Seattle Human Services Department (HSD) are also included. Please refer to the applicable Housing Levy Administrative & Financial Plan available at the [Seattle Office of Housing](#) for additional policies governing the use of Levy funds.

Rental Preservation & Production Program Policies

Rental Housing Priorities

The rental housing priorities described below indicate the types of rental housing the City is most interested in funding, but are not listed in priority order. Proposed projects not meeting one or more these priorities may still be considered for City funding.

PRIORITY: HOUSING FOR FAMILIES WITH CHILDREN

Particular interest:

- The area of greatest need based on 2000 Census special tabulation data provided by HUD is housing for extremely low-income families (0-30% of median income (MI));
- Supportive transitional and permanent housing for families who are homeless.

Needs rationale:

- Over 5,000 extremely low-income families in Seattle have housing problems as defined by HUD, meaning they pay more than they can afford for rent and utilities (i.e., > 30% of their income), live in overcrowded conditions, or lack complete kitchen and plumbing facilities. Almost 60% of extremely low-income families pay more than one-half of their household income for rent and utilities.
- The Ten Year Plan to End Homelessness in King County establishes a goal of 9,500 units of housing with services for homeless people, including 1,900 housing units specifically for homeless families.

PRIORITY: HOUSING FOR SMALL HOUSEHOLDS

Particular interest:

- The area of greatest need among Seattle's small households is for housing for extremely low-income (0-30% of MI) single individuals;
- Permanent supportive housing projects serving people who are chronically homeless and/or disabled.

Needs rationale:

- In Seattle, over 10,000 extremely low-income singles (under the age of 62) and another 2,500 extremely low-income seniors who live alone or with others pay more than one-half of their income for rent and utilities.
- The Ten Year Plan to End Homelessness in King County identifies a countywide goal of 2,500 units of housing with supportive services for chronically homeless.
- Ninety-eight percent of persons who are homeless or who live in transitional housing report either having no source of income or having extremely low incomes through social security, unemployment insurance, or State general assistance.
- Based on the local One Night Count, more than half of homeless persons suffer from one or more disabilities, such as mental illness, chemical or alcohol dependency, and/or chronic and acute medical conditions.
- National studies have documented the success of supportive housing models on multiple levels:
 - ✓ utilization of health services (decreases in emergency room visits, hospitalization, and emergency detoxification, and increases in preventive health care services);
 - ✓ employment status (increase in earned income and employment rates when employment services are provided in supportive housing, and decrease in dependence on entitlements);
 - ✓ treatment of mental illness (decreased symptoms of schizophrenia and depression); and
 - ✓ ending substance abuse (much higher success rates for people living in supportive housing).

PRIORITY: PRESERVATION OF SUBSIDIZED RENTAL HOUSING

Particular interest:

- Projects that preserve affordable units which are at risk due to expiring project-based Section 8 subsidy.
- Preservation of tax credit projects with expiring affordability restrictions, if rents are currently below-market and buildings serve a significant number of very low-income (0-50% of MI) households.
- Preservation of currently affordable units that require recapitalization to extend the useful life of the property and remain affordable to lower-income people.

Needs rationale:

- Seattle has over 3,300 units of project-based Section 8 subsidies. These units are at risk of being lost from the affordable housing stock if owners elect to opt out of the program or if the federal government does not provide renewal funds.
- In addition, a list provided by the Washington State Housing Finance Commission in January 2004 showed 19 other low-income housing tax credit buildings (1,023 units) in Seattle with affordability restrictions that will be expiring by 2006. Some of this affordable housing stock may be at risk of converting to market-rate.

- OH estimates that, although the City-funded affordable rental housing portfolio is virtually all in good condition now, approximately 25% is undercapitalized in terms of meeting long-term replacement and repair needs, so recapitalizing and extending the affordability terms is part of a long-term sustainability goal.

PRIORITY: HOUSING THAT HELPS ADDRESS SPECIFIED COMMUNITY DEVELOPMENT OBJECTIVES

Particular interest:

- Affordable workforce housing (generally housing affordable to households with incomes 31-80% of MI) that furthers revitalization or other community development goals in Housing Investment Areas. Strategies and priorities for Housing Investment Areas are identified in the Levy Administrative & Financial Plan, Consolidated Plan, and neighborhood plans.
- New construction of affordable housing in urban centers, especially those lagging in meeting their residential growth targets as identified in the Comprehensive Plan or those where affordable housing is needed to help mitigate displacement of low-income people due to gentrification.
- Transit-oriented development projects that are generally located within ½ mile of a light rail station or major transit center.

Needs rationale:

- Mixed-use and multifamily development projects are needed in certain Seattle neighborhoods, particularly ones where the private market is not developing due to economic distress or other factors. Such projects fulfill both housing and commercial needs, and higher-density populations and pedestrian- or transit-friendly orientation meet goals of smart growth, the Growth Management Act, and neighborhood plans.
- The market in some Seattle neighborhoods is not mature enough to support desired mixed-use and residential development without public subsidies. Non-profit developers often are relied on to lead community development and revitalization in distressed areas.
- Housing is integrally connected to targeted community development strategies, as well as to wealth creation efforts for economically disadvantaged families and individuals. Affordable housing not only benefits residents, but also contributes to security and stability of neighborhoods. As neighborhoods revitalize, continued provision of affordable housing helps enable existing residents to continue to live there.
- Locating affordable housing near employment centers and public transit reduces household transportation costs and increases transportation choices.
- The reuse of former military facilities such as Sand Point and Fort Lawton require affordable housing to help achieve balanced, healthy communities.

Affordability Policies

The policies described in this section apply to capital funds awarded by OH for production or rehabilitation to provide or preserve affordable rental housing, including HOME and CDBG funds, except that these policies do not apply to Housing Levy funds, Sound Families funds, programs where the City leverages other funds through credit enhancement strategies, other City fund sources for which specific affordability guidelines are adopted by City legislation, mitigation funds that are used to provide affordable rental housing in accordance with the

findings of a nexus study, or funds used for bridge loans (but amounts repaid on bridge loans and bridge loans converted to long-term financing are subject to these policies unless the fund source for the bridge loan was otherwise exempt). Affordability policies for Levy Rental Preservation & Production Program funds are provided in the currently applicable 2002 Levy Administrative & Financial Plan.

The following rental affordability policies apply to permanent capital funding appropriated for use in a biennial budget cycle (e.g. 2005-2006):

- At least 50% of rental program funds shall be used for units with affordable rents for extremely low-income households;
- Remaining rental program funds shall be used for units with affordable rents for very low-income households, except:
 - ✓ Funds may be used to produce or preserve units with affordable rents for low-income households, that are not affordable to very low-income households, in the Central Area, Rainier Valley/Beacon Hill, Delridge/Westwood, South Park, Pioneer Square, and International District Housing Investment Areas as described in Appendix G of this Consolidated Plan;
 - ✓ Funds may be used to produce or preserve units with affordable rents for low-income households, that are not affordable to very low-income households, within half a mile of a light rail station or major transit center located outside of Downtown;
- Tenant households with income above the applicable eligibility levels are called “over-income households.” Funds may be used to acquire or rehabilitate an existing, occupied project and subsidize some units affordable to low-income households, but occupied by over-income households with incomes up to 80% of median income. Such funds will be considered to have been used for housing affordable to extremely low-income households or very low-income households, respectively, to the extent the units are required to be occupied solely by and affordable to, such households within 2 years of the date of the loan agreement. In such case, the initial regulatory term will be established for a 52-year period. By the end of the initial 2-year period after the date of the loan agreement, over-income households need to be relocated or the Borrower will be in default and required to return a prorata portion of the OH funding.

Rent Standards and Eligible Households

Except as provided in the *Affordability Policies* above, program funds are to be used only for units that are occupied or will be initially occupied by eligible households at affordable rents for the respective income categories.

For the purposes of the Consolidated Plan, “affordable rent” for low-income households means annual rent not exceeding 30% of 80% of median income; affordable rent for very low-income households means an annual rent not exceeding 30% of 50% of median income; and affordable rent for extremely low-income households means an annual rent not exceeding 30% of 30% of median income. For the purposes of determining whether a unit bears affordable rent, the term “rent” includes the rent paid by the tenant plus an allowance for utilities paid by the tenant.

City funding is not available for units that are occupied at the time of funding by over-income tenants, as defined under Affordability Policies above, with household income greater than 80% of median income. The City may require as a funding condition that units occupied by such households, although not City-funded, become rent-regulated under a City regulatory agreement when occupancy changes.

Development Project Siting Policy

Unless the Director waives the siting policy as stated below, OH will not fund, or certify as consistent with this Consolidated Plan, a project if the proposed number of subsidized rental housing units for extremely low-income households would exceed the capacity for additional subsidized rental housing units for extremely low-income households in the Census block group where the proposed project is located.

Capacity for additional subsidized rental housing units for extremely low-income households is defined as:

- The total number of housing units in the Census block group according to the latest information as updated annually by the Department of Planning and Development (DPD), multiplied by 20%;
- Less the number of existing subsidized rental housing units for extremely low-income households in the Census block group according to the latest report available from OH (OH's inventory of subsidized rental housing in Seattle includes projects with capital subsidies from public agencies; i.e. City-funded projects as well as non-City funded projects as reported periodically by county, state and federal agencies).

The siting policy does not apply to projects located within Downtown because of its special nature as a high priority area for affordable housing investment. A map of Downtown is included in Appendix G of this Consolidated Plan.

The OH Director may grant a waiver of the siting policy if one or more of the following criteria are met:

- The proposed project is a neighborhood-supported project.
To be considered a neighborhood-supported project, OH will need to determine that the proposed project is supported by a reasonable number of immediate neighbors and/or affected neighborhood organizations. Such determination will be based on review of results of the community notification process as described in the ***Neighborhood Notification and Community Relations Guidelines*** section (see below) including notification of immediate neighbors, consultation with established community groups, public meetings, and/or other means of community notification as OH deems appropriate. In accordance with national, state and local fair housing laws, OH disregards, in evaluating neighborhood support for the project, any opposition that appears to be based on characteristics of future residents of a project if discrimination based on such characteristics is prohibited.

- Additional market-rate housing development is planned in the Census block group, and OH determines that the proposed project would not result in more than 20% of total housing units in the block group being subsidized rental housing for extremely low-income households, based on an adjusted estimate of total housing units that includes units for which building permits have been issued (based on the Department of Planning & Development's latest annual report of building permit data) or other such documentation as deemed appropriate by OH.
- OH determines that natural or manmade barriers (e.g. a bluff, waterway, or freeway) physically separate the proposed project from existing concentrations of subsidized rental housing for extremely low-income households.

Affirmative Marketing

Borrowers are required to affirmatively market vacant units. Borrowers must use marketing methods designed to reach persons from all segments of the community, including minorities, persons of color and persons with disabilities. In addition, owners are strongly encouraged to inform providers of emergency shelters and transitional housing about their projects and to promote access to households ready to move into permanent housing. Owners will be required to maintain records of their affirmative marketing efforts and to report annually to OH on those efforts. Borrowers of funding for transitional housing will be required to develop processes to assure that homeless individuals or families coming out of emergency shelters have equal access to transitional housing projects.

Homeownership Program Policies

The policies that follow apply to HOME funds awarded by OH for homeownership purposes, including American Dream Downpayment Initiative (ADDI). The policies do not apply to CDBG, Housing Levy funds or other non-federal funds except where otherwise specifically noted. Policies for use of Levy homeownership funds are provided in the currently applicable 2002 Levy Administrative & Financial Plan.

Eligible Use of Funds

- HOME funds, including ADDI funds, may be used for (1) downpayment and closing cost assistance and/or interest rate write down for eligible buyers; and (2) site acquisition and/or development costs for a home or homes to be sold to eligible buyers.
- OH may provide up to \$1,000 of HOME funds to non-profit homeownership organizations at the time of loan closing to help pay for counseling services provided by such organizations in connection with each home to be sold to an eligible buyer household. However, the \$1,000 for counseling services must be authorized in the contracts between organizations awarded homeownership funding and OH, and may not be included as part of homebuyer assistance loans to homebuyers.
- The value of the home must not exceed 95% of the median purchase price in Seattle, as published by HUD, or as determined locally through market analysis in accordance with HUD HOME Program requirements.
- Eligible buyer households must purchase a home in Seattle and use it as their principal residence. Purchases of investment properties are not allowed under this program. All types of for-sale units are eligible, including single-family residences, condominium units, limited equity cooperatives, co-housing, land trusts, and homes on leased land. Homes with an accessory dwelling unit (ADU) are eligible, provided that the buyer will be an owner-occupant of the home and ADU tenants and rents meet household income limits and affordability requirements, per HOME regulations. A lease-to-own contract or long-term lease may be considered a purchase.

Homebuyer Eligibility

- Buyers benefited by the program must be low-income, first-time homebuyers. First-time homebuyer is defined as any individual and his or her spouse who have not owned a home during the 3-year period prior to the individual's purchase of the home. The term first-time homebuyer also includes an individual who is a displaced homemaker or single parent, as defined in 24 CFR Part 92 HOME Investment Partnership Program, Section 92.2 Definitions, as follows:

Displaced homemaker means an individual who:

- (1) Is an adult;
- (2) Has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and

(3) Is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

Single parent means an individual who:

- (1) Is unmarried or legally separated from a spouse; and
- (2) Has one or more minor children of whom the individual has custody or joint custody, or is pregnant.

OH may narrow the definition of “first-time homebuyers” in order to ensure equitable treatment between married and non-married persons, subject to federal requirements in the case of loans using ADDI funds. OH also may, for the same purpose, expand the “single parent” eligibility category with respect to loans not using ADDI funds.

For purposes of ADDI funds, an individual shall not be excluded from consideration as a first-time homebuyer on the basis that the individual owns or owned, as a principal residence during the three-year period, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations or is not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with the codes for less than the cost of constructing a permanent structure.

- Eligible buyer households must successfully complete a pre-purchase homebuyer education program approved by OH.
- Borrowers must be able to financially qualify for a first mortgage approved by OH. In programs administered directly by the City, qualifying income will be defined using the IRS definition of adjusted gross income for reporting on IRS Form 1040, subject to any adjustments or exclusions required by federal law or regulations. House Key Plus Seattle, a program administered for the City by the Washington State Housing Finance Commission, will use the Section 8 Program definition for gross annual income.

Funding Guidelines

HOME funds for homebuyer assistance loans to eligible buyer households are subject to the following conditions:

- Loans will be limited to the amount needed for each buyer household, providing gap financing to enable low-income households unable to qualify for sufficient private financing to purchase a home.
- In order that single-source downpayment assistance may be provided for the convenience of borrowers, in lieu of loans from Levy or other City funds and non-City sources to the same borrower, OH may allow a higher amount of City-funded homebuyer assistance, not to exceed \$70,000, for a borrower that receives assistance made as part of a project or lending program for which a developer or nonprofit lending agency has obtained commitments of non-City homebuyer subsidy funds, but only if all of the following conditions are satisfied:
 - (1) Non-City subsidy funds provided to such project or program must be used for deferred downpayment assistance loans or other assistance that increases the ability of low-income households to purchase a home.

(2) The average amount of City-administered homebuyer assistance for all eligible households benefited by the program, including buyers who do not receive any City-administered funds, may not exceed \$45,000.

- Loans will generally be 30-year deferred loans. Loans may include provisions for payment of a share of appreciation. Any share of appreciation payable may be reduced and/or eliminated over time. Loan repayment terms shall specify the interest rate, which generally shall not exceed 3% simple interest; loan term; period of payment deferral; and any contingent interest or share of appreciation.
- Loans using the recapture option will be structured with repayment obligations, using a promissory note and deed of trust approved by OH.
- Borrowers must provide a minimum of \$2,500 or 1% of the purchase price, whichever is greater, of their own funds toward the home purchase as a condition to any homebuyer assistance loan. Homebuyers may receive gifts of funds towards their portion of the downpayment; however, gifts must not exceed 25% of the borrower's total downpayment requirement.
- The terms of each homebuyer assistance loan, except loans involving land trust projects, shall provide that the entire principal balance is due upon sale or refinancing of the home, at the lender's option, to the extent permitted by applicable law. However, OH may permit assumption of the loan by another eligible borrower in lieu of repayment.
- Eligible buyers or developers may receive homebuyer assistance up to a maximum of \$45,000 per assisted household, including both Levy funds and other City-administered funds, unless the maximum is increased in accordance with provisions below. The \$45,000 cap includes any fees paid to non-profit homeownership organizations for counseling services. Homebuyer assistance loans include loans to homebuyers and loans to developers or prior owners assumed by, or otherwise passed through to, homebuyers. Homebuyer assistance loans may be used for downpayments, closing costs, and/or first mortgage loan interest rate write down, as approved by OH.
- City-funded assistance for any home improvements, if committed or provided in connection with a home purchase, is considered to be assistance for the purchase and, together with the homebuyer assistance, cannot exceed the applicable funding limit except in the following cases: (1) assistance provided to a nonprofit developer for home purchase or land purchase and/or improvement costs associated with an OH-approved land trust project, and (2) assistance to an eligible buyer purchasing a home located within a Housing Investment Area, for which the combined homebuyer assistance and home improvement assistance may total up to \$65,000, provided that the homebuyer assistance does not exceed \$45,000.
- Borrowers may use any first mortgage product approved by OH, including FHA and Fannie Mae products, and portfolio loans. FHA 203(k) purchase-rehabilitation loans are also eligible, provided the rehabilitation amount exceeds \$5,000.

Recapture and Resale Guidelines

- In conformity with HUD rules, OH will impose either resale or recapture requirements, at its option, when HOME funds, including ADDI, are used. The recapture or resale options may be managed by the City, a sub-recipient, or other contracting party at OH's option. The recapture or resale options cannot be used together in the same loan, except that OH may recapture funds loaned to a land trust in case of a transfer of a home contrary to resale restrictions.
- For HOME funds that are allocated for eligible development costs and programs operated by nonprofit housing agencies, the resale option may be used. In such cases, the agreement with the developer or nonprofit housing agency will provide for long-term affordability of the housing. Requirements include:
 - ✓ The initial sale and any resale of subsidized units during the applicable affordability period must be made to low-income households.
 - ✓ The resale price during the applicable affordability period is limited to maintain an affordable purchase price for subsequent low-income homebuyers. The resale formula must also provide for a fair return to the seller. The resale price and return formula must be approved in advance by OH.
 - ✓ New purchaser income and resale price are restricted during the affordability period via a recorded deed restriction or land covenant, or there is a purchase option or right of first refusal in favor of the City or a City-approved entity at a restricted price, or both methods are used.
- For HOME funds allocated to lending programs, the recapture option may be used. The City or a City-approved entity will have the right to require full repayment of the HOME subsidy, including ADDI funds, when resale occurs, regardless of the applicable affordability period, to the full extent permitted by law.

Subordination Policy

Many program borrowers refinance their homes or borrow against the value of their homes, and request that their homebuyer assistance loan's lien position be subordinated to another loan. In some cases agreeing to these subordination requests could greatly increase the risk that taxpayer funds may not be paid back. The current policy of OH is that subordination requests will be evaluated by the Homeownership Program Manager and will be considered only when all of the following conditions are met:

- The total proposed loan to value ratio does not exceed 90% of the appraised or assessed value, whichever is less. The new loan does not have a balloon payment before the homebuyer assistance loan maturity date and is not an interest only loan.
- The homeowner needs to refinance only the existing first mortgage indebtedness against the property to take advantage of better rates, terms, and payments, and is not incurring additional indebtedness against the property, except for one or more of the following:
 - ✓ Refinancing fees;
 - ✓ Payments needed in order to save the house from a foreclosure;

- ✓ Costs of an urgent health and safety repair;
- ✓ Medical, funeral, or other emergency expenses of the homeowner or immediate family that is determined to be allowable by the Homeownership Program Manager.

Targeted Outreach

OH has worked with the Seattle Housing Authority (SHA), local lenders, and the Washington State Housing Finance Commission (WSHFC) to make City downpayment assistance funds available for residents and tenants of public housing and manufactured housing. SHA, through its Family Self-Sufficiency and Section 8 Homeownership programs, is marketing to residents and tenants of public housing and identifying eligible families for homeownership programs. The City will work with the WSHFC and participating lenders to identify tenants of manufactured housing in the City and mail program brochures to them. The City has made Levy, ADDI, and other HOME funds available for downpayment assistance. WSHFC is making below-market interest rate first mortgages available to eligible borrowers. Private mortgage lenders are originating and closing the mortgage loans.

Homebuyer Education and Counseling

All homebuyers using City downpayment assistance funds are required to attend homebuyer education. A portion of available federal funds are awarded by OH for delivery of homebuyer education and counseling programs. In addition, the Seattle Housing Authority (SHA) has up to \$15,000 through its DPA Program available for eligible Public Housing and HCV residents who are interested in purchasing a home. SHA staff screen and determine the suitability of residents and tenants of public housing for participation in homebuyer programs.

SHA and King County Housing Authority (KCHA) received ROSS Homeownership Counseling funding in a joint application in FY 2002. In order to administer and distribute the down payment assistance, SHA developed partnerships with several local, culturally-specific non-profit housing counseling agencies such as the Urban League, El Centro de la Raza and the International District Housing Alliance. The role of these counseling agencies is to screen residents for eligibility and provide ethnically-diverse homebuyer outreach, referral, education and counseling. They also recruit for and provide homebuyer education workshops, work with residents on credit issues, pre-qualify and connect them with lending programs and assist with housing search and other supportive services.

When residents have been determined eligible by one of the housing counseling agencies for SHA's Down Payment Assistance Program, SHA staff review the application to ensure that residents meet the guidelines and are protected from predatory lending practices. If approved, up to \$15,000 is provided to residents during closing.

General Policies for Capital Funding

The following policies apply to OH-funded affordable rental and homeownership housing capital projects.

Bridge Loan Policy

OH bridge loans are intended to provide short-term funding to permit low-income housing development activities to proceed in advance of the availability of permanent project funding. Bridge loans for affordable housing may be made utilizing any OH-administered fund sources determined to be appropriate by the OH Director. Additional policies for use of Levy bridge loan funds are provided in the currently applicable 2002 Housing Levy Administrative & Financial Plan.

Bridge loans may be made only when, in the judgment of the OH Director, the borrower provides reasonable assurance that the funds will be used for eligible purposes and that permanent funding will be available from other sources on acceptable terms to ensure repayment of the funds before the loan maturity date. The maximum term for bridge loans shall be two (2) years, unless subject to additional bridge loan pilot program conditions and guidelines pursuant to the currently applicable 2002 Levy Administrative & Financial Plan. OH shall require payment of a reasonable rate of interest on bridge loans, which shall be no less than 3% simple interest. In addition, a loan fee may be charged for providing bridge loans.

A bridge loan may be made as a component of a larger loan that includes long-term financing. OH may allow all or a portion of a bridge loan to be converted to a permanent loan subject to maximum subsidy limits for funds administered or allocated by OH and other City agencies that may be combined to provide permanent gap financing for the housing portion of a project, pursuant to the currently applicable 2002 Levy Administrative & Financial Plan. Applications for bridge loans may be made outside of OH's Notice of Funding Availability (NOFA) process.

Neighborhood Notification and Community Relations Guidelines Policy

Prior to application for OH funding (permanent or bridge) for production or preservation of affordable rental housing or development of housing for low-income homebuyers, applicants are required to prepare and begin implementing a community relations plan, including neighborhood notification activities.

A successful notification effort leads to open, ongoing communication between developers and neighbors. This requires cooperation by developers, the City, and neighborhood residents. A positive, open relationship between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of ironing out differences. While not meant to be a definitive process for each proposal and neighborhood, the steps outlined below provide a comprehensive notification process.

It is the policy of the City of Seattle that OH funding of affordable housing not be refused solely on the basis of concerns expressed by neighbors; the City supports and is committed to promoting diversity in Seattle neighborhoods. Consistent with State and Federal law, a housing project should not be excluded from a neighborhood solely based on any of the following characteristics of the persons who will live there: age, ancestry, color, creed, disability, gender identity, marital status, national origin, parental status, political ideology, race, religion, gender, sexual orientation, possession or use of a Section 8 certificate, or use of a guide or service animal by a person with a disability.

The City supports affordable housing projects that will preserve and enhance the strengths of Seattle's neighborhoods. Housing developers and neighbors should keep OH informed of any issues or concerns throughout the community notification process and operation of the project.

Guidelines for affordable housing developers:

This policy section is intended to provide guidance to developers, acknowledging that neighborhood notification efforts and appropriate community relations plans may vary.

1. Prior to releasing purchase and sale agreement contingencies the developer shall:
 - Consult with OH. OH will help identify developers of other affordable housing in the neighborhood(s) being considered and suggest neighborhood organizations to contact.
 - Contact other affordable housing owners to learn about a neighborhood's historical and current housing- and development-related concerns.
2. Prior to submitting an application for City Consolidated Plan consistency certification the developer shall:
 - Notify neighbors within at least 500 feet of the site using a written notice, letter or flyer. Consider including basic information about the developer agency, proposed project, estimated schedule, contact person, and neighborhood organizations that have also been notified about the project in the written communication.
 - Contact neighborhood organizations, including the neighborhood community council and the local district council, with updated information about the project, including final site

selection, schedule, and proposal for ongoing communication with the neighborhood. The ongoing communication plan may include presentation(s) at regularly scheduled neighborhood organization meeting(s), invitation to a meeting hosted by the housing developer, formation of an advisory committee, and/or regular project updates in neighborhood organization publications or posted at local libraries, community centers, etc. Information the housing developer should consider sharing at meetings includes the following:

- Experience as a housing developer and manager; provide names and addresses of other affordable housing projects;
 - Description of targeted population of the housing, to the extent that it does not compromise the safety, confidentiality or well-being of the residents; information about property management and support services, if applicable;
 - Mechanisms for communication between the housing developer and neighbors, including 24-hour contact person and number if possible;
 - Estimated schedule for construction and completion; and
 - Opportunities for neighbors to provide input on the project (i.e. names of interested neighborhood organizations and how to contact them; community advisory committee; etc.).
3. Maintain communication with immediate neighbors and the neighborhood and community organizations throughout the project's design and construction phase.
 4. Once the housing is operational the developer shall:
 - Invite neighborhood and community organizations and neighbors to project open houses.
 - Establish ongoing communication with neighborhood organizations and neighboring residents and businesses. Promptly address emerging issues and share successes.
 - Keep the City apprised of any issues.

Guidelines for Neighbors:

1. Encourage housing developers and residents to be active members of your community. Invite them to neighborhood meetings and events. Build foundation for long-lasting, positive relationship.
2. Communicate concerns about design, operation and management of a project. Work collaboratively with housing developers and/or residents to identify ways to address those concerns.
3. Neighbors may want to consider negotiating a community relations plan with the housing developer if it turns out that clarity of understanding is difficult to reach verbally.
4. Make sure housing developer and/or residents know what is working well.

Relocation, Displacement, and Real Property Acquisition

Development of affordable rental and homeownership housing should be designed to minimize displacement of households. Any temporary relocation or permanent displacement of households must comply with all applicable provisions of (a) Seattle Municipal Code 20.84–Relocation Assistance; (b) the City's Just Cause Eviction Ordinance; and (c) for projects using federal funds, the federal Uniform Relocation Act (URA) and any other relocation regulations and handbooks applicable to the particular funding program.

These policies, laws and regulations contain, among other requirements, different timelines under which households must be given various notices and provided financial assistance under certain circumstances. Consultation with OH staff prior to submission of applications for funding is required for any applicant whose project will involve any temporary or permanent relocation activities.

Fair Contracting Practices, WMBE Utilization

Sponsors must comply with the City's Fair Contracting Practices Ordinance. Sponsors and their general contractors shall be encouraged to take actions, consistent with that ordinance, which would increase opportunities for women and minority business enterprises (WMBEs). A combined WMBE aspirational goal of 14% of the total construction and other contracted services contracts shall apply for all affordable rental housing capital projects funded by OH. OH shall encourage additional efforts to increase WMBE participation including mentoring programs and participation in apprenticeship and other training opportunities.

HomeWise Program Policies

OH's HomeWise Program provides for low-interest home rehabilitation loans and weatherization services primarily for the purpose of improving the health, safety, and energy efficiency of housing for low-income households.

Income limits for rehabilitation loans vary by fund source, but in no case exceed 80% of MI. The maximum individual rehab loan is \$45,000, with a waiver by the OH Director allowing up to \$10,000 additional (for an overall total of \$55,000) due to demonstrated health and safety needs. Interest rates generally are set at 3% simple interest. The loans may generally be amortized or deferred. HomeWise forgivable grants are available, up to \$10,000, for lead-based paint abatement if required in a rehabilitation project. Grant terms require full repayment if the home is sold within 5 years and provide for forgiveness after 5 years.

The program generally gives priority to loans for improving health and safety, and for curing code violations. For a time period through December 31, 2009, the program will also give priority for repairs that address exterior dilapidation or conditions that would contribute to neighborhood revitalization in the Rainier Valley/Beacon Hill Housing Investment Area in Southeast Seattle.

Weatherization services are provided for energy efficiency and health and safety improvements in owner- and renter- occupied single-family homes and eligible multifamily rental properties. The income limits for such services vary by fund source.

Rental Assistance Policies

The policies that follow apply to federal funds awarded by OH for rental assistance purposes. The policies do not apply to Housing Levy funds and other non-federal funds. Policies for use of Levy Rental Assistance funds are provided in the currently applicable 2002 Levy Administrative & Financial Plan.

Rental assistance is a cash subsidy that enables low-income individuals and families to pay rent. The rental assistance is usually paid to a private landlord through a community-based, non-profit organization. Rental assistance is often supported with case management or other supportive services to help the tenant remain stable.

The high cost of housing in Seattle poses a significant challenge for many people. The three primary factors that demonstrate the need for tenant-based rental assistance funds are:

- The number of individuals who are homeless;
- The extent to which gross housing costs exceed 30% of gross household income (referred to as “cost burden”); and
- The number of households on the Seattle Housing Authority’s waiting list for subsidized housing.

OH funds support two rental assistance programs: the Rental Stabilization Program and the Emergency Rental Assistance Program. Policies for use of Levy rental assistance funds, which fund the Emergency Rental Assistance Program and fund one aspect of the Rental Stabilization Program, are provided in the currently applicable 2002 Levy Administrative & Financial Plan.

The Rental Stabilization Program provides 6 to 18 month rent subsidies to very low-income households transitioning out of homelessness as well as those in danger of eviction. Levy funds pay for case management services to help tenants remain stable in their housing and to address the many special needs of those who have been or are at risk of becoming homeless. Federal HOME funds are leveraged to pay for tenant rent assistance. Administration of this program is contracted out to a community-based non-profit organization through a competitive process managed by the City’s Human Services Department. The Rental Stabilization Program serves between 75 and 100 households a year.

HOME rental assistance funds must be used for rent payments and/or security deposits. Only low-income and very low-income households are eligible for rental assistance. The Rental Stabilization Program is administered in accordance with additional requirements as outlined in 24 CFR Part 92 HOME Investment Partnership Program, Section 92.209 Tenant-based Rental Assistance.

Per Section 92.209, families are selected in accordance with the following written tenant selection policies and criteria: At least 50% of the families assisted must qualify, or would qualify in the near future without tenant-based rental assistance, for one of three Federal preferences. These are families that (1) occupy substandard housing (including families that are homeless or living in a shelter for homeless families); (2) are paying more than 50% of their annual income for rent; or (3) families that are involuntarily displaced. The remaining

households selected to receive HOME funds are ones currently living in permanent housing but at risk of becoming homeless.

Per Section 92.209, the amount of the monthly assistance that a participating jurisdiction may pay to, or on behalf of, a family may not exceed the difference between a rent standard and 30% of the family's monthly adjusted income. The City uses the Seattle Housing Authority's published Voucher Payment Standard as the rent payment standard for units. The tenant shall pay any amount in excess of the Voucher Payment Standard. The minimum tenant contribution toward rent is \$50 per month.

The City certifies that rental-based assistance is an essential element of Seattle's Consolidated Plan given the priority to secure affordable rental housing to very low-income households most in need.

7.1.4 Appendix D – Analysis of Impediments to Fair Housing in Seattle, Washington: Summary

Analysis of Impediments to Fair Housing in Seattle, Washington: Summary

A strong commitment to affirmatively further fair housing is one of the U.S. Department of Housing and Urban Development's guiding principles. It is also a requirement for agencies participating in HUD's many housing and community development programs. The Fair Housing Act specifies that the HUD Secretary administer programs and activities relating to housing and urban development in a manner that affirmatively furthers the policies outlined in various fair housing laws and presidential executive orders.

HUD-funded jurisdictions are required to periodically do an analysis of impediments (AI). This is a review of impediments or barriers that affect people's rights of fair housing choice. It covers public and private policies, practices, and procedures affecting housing choice. Impediments to fair housing choice are defined as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin. The AI serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.

Conducting an analysis of impediments is a required component of certification and involves the following:

- An extensive review of a State or Entitlement jurisdiction's laws, regulations, and administrative policies, procedures, and practices;
- An assessment of how those laws affect the location, availability, and accessibility of housing;
- An evaluation of conditions, both public and private, affecting fair housing choice for all protected classes; and
- An assessment of the availability of affordable, accessible housing in a range of unit sizes.

Seattle's previous AI was conducted in 2004. The 2009-2012 Consolidated Plan includes a newly updated AI, which the City of Seattle contracted with Trang D. Consulting to prepare. The 2008 report includes the following: review of fair housing law; analysis of background data; identification of impediments; overview of existing programs and activities that further fair housing; and an action plan.

The following from the 2008 AI is the summary of impediments and recommended actions to address those.

a. Summary of Impediments

Impediment #1: An inadequate supply of affordable housing in Seattle exacerbates fair housing challenges by impeding housing choice.

In recent years, strong job and population growth have led to a robust private housing market that have fueled increasing migration of low-income and minority residents toward areas outside of the city as rents and home prices have escalated. Wages for a number of the most prevalent jobs are inadequate to afford even studio apartment rents and a disproportionate share of low-income households continues to be cost-burdened for housing, particularly renters. Despite numerous public programs and policies to preserve and expand affordable housing, the force of the private market continues to drive a decline in housing affordability. In turn, this has begun to translate into reduced housing choice for protected classes, who are disproportionately low-income and racial minorities, as discussed in previous sections of this analysis.

Impediment #2: In addition to lack of affordable housing, protected classes also continue to experience direct housing discrimination, especially racial and ethnic minorities, refugees and immigrants, families, female headed households with no husband present, and the disabled. These take several forms including the following:

- *Continued incidents of housing discrimination, particularly based on race, disability and family status in areas of North and Central Seattle.*
- *Lack of knowledge/information about fair housing and the complaint process lead to underreporting of fair housing violations, especially in limited English communities.*
- *Racial minorities continue to experience differential rates of loan denials.*
- *Subtle forms of preferential housing advertising exist in some local media sources*
- *The current subprime mortgage crisis brings potentially significant impacts on protected classes including: greater vulnerability to foreclosures due to racial minorities being a disproportionate share of subprime loan borrowers, increased difficulty of obtaining home loans, a tighter and less affordable rental housing market, and potential decline in home values and spillover effects in low-income areas.*

b. Recommended Actions to Address Impediments

The following actions are recommended in response to the impediments described above.

1. CONTINUED SUPPORT OF AFFORDABLE HOUSING DEVELOPMENT (Lead agency: OH)

- a. *Continue to develop new resources to address affordable housing issues (e.g. Renew City housing levy in Fall 2009).*
- b. *Continue enforcing relevant City requirements (e.g. siting of extremely low-income rental housing) tied to housing funding.*

- c. Explore and implement ways to more effectively utilize existing resources to expand housing choice.*
- d. Expand incentive programs that encourage and enable more private developers to create affordable housing.*
- e. Improve coordination between SOCR and OH in support of housing affordability as a critical element of fair housing.*

2. INTERGOVERNMENTAL COORDINATION/RESOURCE ALLOCATION (Lead agency: OH, SOCR)

- a. Take advantage of existing opportunities for intergovernmental coordination on affordable housing (e.g. Puget Sound Regional Council and King County).*
- b. Request HUD funding for key initiatives including fair lending outreach program (action 3b), continued enforcement of fair housing laws (action 4a), increased testing and auditing (action 4c).*

3. EDUCATION AND OUTREACH (Lead agency: SOCR)

- a. Partner with tenants advocacy groups and community organizations to provide fair housing training to renters. Request HUD funding to provide staff and material resources.*
- b. Develop a Fair Lending program for renters and prospective homebuyers to provide training in recognizing discriminatory lending practices. Ensure the program is language- and culturally-appropriate for limited English underserved populations.*
- c. Work with advertising departments of publishers of local housing information to eliminate explicit and implicit forms of preferential advertising.*
- d. Explore feasibility of establishing a fair housing hotline to encourage education and follow-up on filing of complaints.*
- e. Continue to reach out to apartment owners and the real estate industry, particularly in North and Central Seattle sub-areas, to encourage education about fair housing.*
- f. In reasonable cause cases, develop a settlement requirement requiring respondent to provide and assume cost of SOCR-led Fair Housing trainings for tenants. Trainings should be open to the public and advertised in locales commonly-frequented by neighborhood residents such as grocery stores, laundromats, child care centers, grocery stores, etc.*

4. CONTINUED ENFORCEMENT OF FAIR HOUSING LAWS (Lead agency: SOCR)

- a. Provide continued funding support for investigation of housing discrimination.*
- b. Continue to coordinate with fair housing enforcement and advocacy agencies (U.S. HUD Regional Office, Fair Housing Center of Washington).*
- c. Periodically conduct fair housing testing of the rental housing market, especially in Central and North Seattle and for race, family status and disability classes. Ensure HUD support for increased testing and auditing.*

5. MONITORING/TRACKING (*Lead agencies: OH, SOCR*)

- a. Explore creating a streamlined database to provide ongoing tracking of demographics of OH-funded and SHA populations.*
- b. Track number of incoming calls to SOCR and subsequent referrals and discrimination charges emerging from incoming calls.*
- c. Improve database and coordination with other affordable housing funders in order to better track basic characteristics of subsidized rental housing in Seattle (e.g. location; affordability and size of units).*

The full *Analysis of Impediments to Fair Housing in Seattle, Washington* can be accessed at www.seattle.gov/housing.

7.1.5 Appendix E – Evaluating Lead Based Paint Hazards and Response

Lead-based paint is the most common source of childhood lead poisoning in the United States. Lead exposure in the home can produce health effects ranging from anemia and behavior problems to irreversible brain damage or death, and younger children are particularly vulnerable. Washington is one of only 4 states that do not require or recommend any minimal level of blood lead level testing for children. Less than one percent of children under the age of six are tested for lead each year, and this group is not representative of all children in the population. Low levels of testing make it hard to evaluate lead paint hazards, and give the impression that elevated blood lead is not a problem here. In four projects, local and state agencies are working to address the lack of data, direct attention to lead-related risks and coordinate agency efforts to reduce them.

CTED study of lead hazards in housing and childhood lead exposure

In 2005, the Washington State Department of Community, Trade, and Economic Development (CTED) studied the State's housing stock to identify areas of potentially high risk for child lead exposure. The study created a statistical model using data on age of housing stock, resident income, soil lead levels and lead poisoning cases from the Washington State Department of Health's Childhood Lead Poisoning Surveillance program. Age of housing is an important predictor of lead risk because lead paint, the major source of children's lead exposure, was not banned for residential use until 1978. The study was *limited* by the shortage of blood lead data from a representative sample of children, as only 4 percent of Washington children have ever received a blood lead test.

The model calculated that 8% of Washington children ages birth to six lived in tracts with the highest risk of elevated blood lead levels, and 20% lived in the next highest risk category. ***A number of Seattle neighborhoods received the highest risk rating: Georgetown, portions of West Seattle, the Central District, Madrona, First Hill, Capitol Hill, Queen Anne, the University District, Wallingford, Green Lake, and Ballard.***

The high risk rating reflects the age of these neighborhoods' housing stock, much of which was built before 1950. Suburban Seattle had lower risk ratings due to higher proportions of newer homes.¹

The CTED study's findings support those of a 1990 HUD study on lead paint exposure in major cities, which showed how Seattle differs from east coast cities in which most lead paint exposure studies have been conducted. In Seattle, low income is not a consistent predictor of risk for lead paint exposure. Seattle neighborhoods with older housing stock and higher lead paint risk have high property values and higher median income.

¹ Washington State Department of Community, Trade, and Economic Development. (2005). Study: Lead Hazards in Housing. Retrieved Jul7 07, 2008 from http://cted.wa.gov/CTED/documents/ID_2694_Publications.pdf

Elevated Blood Lead Trends and Incidence Study in Seattle and King County

To address low levels of screening, the Elevated Blood Lead Trends and Incidence Study in Seattle and King County was conducted from October 2005 to March 2008 with funding from the Environmental Protection Agency and the Local Hazardous Waste Management Program in King County. Three audiences were targeted to increase screening in high-risk communities: physicians, licensed childcare providers, and the public. Lead-based paint in housing contaminated imported candies and cross-contamination from occupational exposures were the three most common sources of lead poisoning identified.

The project found that 3.5% of screened King County children under six years had elevated blood lead levels ($\geq 6 \mu\text{g/dL}$). Public and private health care providers expressed two concerns about expanded screening: financial (many children are without insurance coverage and Medicaid reimbursement is insufficient to cover test costs), and a belief that lead poisoning is not an issue in King County. Current toxicity screening is primarily motivated by parental request, not clinical judgment. The number of children screened in 2007 was twice that of 2006, probably reflecting both study efforts and a heavily-publicized recall of lead-containing toys in the winter of 2007. (Thomsen, Nicole. *Elevated Blood Lead Trends and Incidence Study in King County*. Seattle, WA: Local Hazardous Waste Management Program in King County, 2008.)

Washington State Lead Chemical Action Plan²

The Washington State Department of Ecology (Ecology) creates Chemical Action Plans to determine the dangers of a substance, where it is found in the environment and ways to reduce or prevent its harm. A plan for lead was generated because it is widespread, harmful, has known mitigation strategies and because, compared to other states, Washington has a relatively large number of young children with risk factors for lead poisoning and a very low test rate.

The 2008 lead chemical action plan (CAP) was developed by Ecology, the Washington State Department of Health, seven other state agencies, the U.S. Environmental Protection Agency, and an advisory committee of 17 representatives of business, health, environmental and local government organizations. The CAP process requires the Department of Ecology to identify policy options to manage, reduce and phase out use of the metal of concern. To reduce exposure to existing lead, the CAP proposes the following policy options:

- **Education:** encouraging parents to do voluntary home assessments, and developing Ecology guidelines on how to assess lead hazards in homes, reduce exposures, and find appropriate professional help if needed.
- **Prevention strategies** to reduce exposure: Mandatory assessment and disclosure of lead-based paint, soil lead levels, and lead in tap water in all housing at the time of property transfer or new rental tenancy would improve present weak federal and state notification requirements. Mandatory or voluntary targeted remediation would require abatement or remediation of lead in paint, soil and plumbing in houses, schools, and childcares.
- **Enforcement and standards:** delegate responsibility for enforcement of EPA renovation rules on lead to CTED, which already administers the EPA rule on training and certifying

² Department of Ecology Publication No. 08-07-009, Public Review DRAFT 2008

lead workers and has a lead-based paint reduction program in place. Review Model Toxics Control Act cleanup levels in light of recent scientific evidence that blood lead levels below the current CDC cutoff of 10 µg/dL can harm young children.

The CAP also seeks to find and help children with elevated blood lead levels so that all children in Washington have blood lead levels less than 2 µg/dL. Increased screening for elevated child blood lead levels can establish a reliable baseline population measure to identify high risk populations, and assess intervention and prevention programs. The CAP proposes:

- **Some combination** of universal or targeted mandatory or voluntary screening
- **A change in the definition of elevated blood lead level (BLL)** from 10 µg/dL to 2 µg/dL. Current CDC guidelines do not reflect recent studies showing that adverse health effects occur in children with blood lead levels less than 10 µg/dL. There is no known safe level of blood lead, but 2 µg/dL is the median BLL. Case management guidelines for children with elevated BLL should be evaluated to reflect the new standard.
- **Mandatory remediation and abatement** after a confirmed case of a child with an elevated BLL in rental and other homes. DOH and CTED should develop rules for local health departments to assess and remediate lead hazards in housing whenever an elevated BLL is found.

EPA Lead-based Paint Renovation, Repair and Painting Program (2008)

This is a federal program governing contractors, property managers and anyone who is paid to renovate houses, apartments and child-occupied facilities built before 1978. For any renovation that will disturb more than 2 ft² of painted surface, new rules establish requirements for notifying occupants about the work, dust sampling on site, and training and certifying those who do the sampling and the lead paint remediation

HUD Lead-Based Paint Regulations (24 CFR 91, as amended)

These are federal requirements that a consolidated plan prepared by local governments must estimate the number of housing units within the jurisdiction containing lead-based paint hazards, outline actions proposed or being taken to evaluate and reduce lead-based paint hazards, and demonstrate compliance with lead-based paint procedures listed within 24 CFR 35, subparts A, B, J, K, and R. When preparing the portion of the consolidated plan concerning lead-based paint hazards, the local government shall consult with state or local health and child welfare agencies and examine existing data related to lead-based paint hazards. *See* 24 CFR 91.100(a)(3); 24 CFR 91.205(e); 24 CFR 91.215(i); 24 CFR 91.220(k); 24 CFR 91.225(b)(7).

City of Seattle Lead-Based Paint Activities

The City of Seattle Office of Housing requires that borrowers comply with all applicable requirements of federal, state, and local laws and regulations with regard to lead-based paint, including without limitation 24 CFR Part 35 and Section 570.608, and, if HOME funds are involved in a project, 24 CFR 92.355 and 982.401(j). Borrowers are responsible for all testing and abatement activities and all required disclosures, and shall abate any defective lead-based paint surfaces in connection with any rehabilitation of existing improvements in compliance with all applicable laws, regulations, HUD guidelines, and prudent practices. The City of Seattle Office of Economic Development requires that all loan recipients at all times comply with all environmental statutes and regulations. In compliance with Federal, State and Local laws and regulation the Seattle Housing Authority performs comprehensive testing for the presence of lead based paint (LBP) in all pre-1978 built properties, where children less than six years old are residing. SHA has initiated the necessary activities and procedures to maintain compliance related to the monitoring and management of lead-based paint. The intent of this policy is to reduce risks to residents living in SHA housing units that contain lead-based paint.³

³ See Housing Authority of the City of Seattle Manual of Operations, Code L12.2-5, and effective April 15, 2007.

7.1.6 Appendix F – Public Housing Annual Plan

The Seattle Housing Authority publishes both a Five Year Strategic Plan and an Annual Moving to New Ways Report. Full text versions can be found by visiting <http://www.seattlehousing.org/aboutsha/misc/plans.htm>.

Highlights of the 2008 Moving To New Ways (MTW) include:

In 2008, SHA's MTW priorities will include:

- In 2008 SHA may raise the maximum percentage of Housing Choice Vouchers that may be project-based. SHA will also continue piloting the “provider-based” program that ties supportive services with housing subsidy, especially for the homeless.
- SHA may enable project-based Housing Choice Vouchers and low-income public housing to operate seamlessly in communities that operate both programs.

Meeting Seattle's public housing needs

SHA will continue several community revitalization activities throughout Seattle and explore new opportunities in 2008. These activities include:

- **High Point and Rainier Vista:** New low-income and workforce housing completed in High Point Phase II. Continued infrastructure work and beginning of construction of new rental housing in Phase II of Rainier Vista. Start of construction for the High Point Neighborhood Center and completion of the new Rainier Vista Boys and Girls Club. Homes for sale built by private builders in High Point and Rainier Vista.
- **homeWorks:** Continue the project, a five-year capital program involving bond- and tax credit-financing to renovate 22 public housing high-rises, including comprehensive rehabilitation of building systems and common areas.
- **Yesler Terrace:** Begin to develop a formal plan for the future of Yesler Terrace using the guiding principles established in 2007.
- **Scattered sites:** Sell the remaining 40–45 units in the scattered sites portfolio reconfiguration started in 2004, replacing them with others that are more efficient to manage and maintain.
- **Holly Court:** Identify replacement housing options for Holly Court, and begin planning for the redevelopment of this poorly-designed and -constructed community and adjacent SHA-owned property.

- **Lake City Village:** Beginning in 2007 and continuing in 2008, SHA will market a portion of the Lake City Village site to private townhome builders, evaluate options for the balance of the site, and apply for a HOPE VI grant.
- **Villa Park and Yesler Terrace neighborhoods:** Plan for and possibly implement redevelopment of recent acquisitions: the Douglas Apartments and adjacent property, and several properties owned by SHA in the Yesler Terrace area.

Meeting the needs of residents and applicants

SHA will **improve access to its affordable housing programs** through a variety of strategies in 2008 including:

- Implement strategies developed in FY 2007 to improve access to housing information for residents and applicants with limited English proficiency.
- Reopen the Housing Choice Voucher wait list and increase utilization.
- Explore and possibly implement new local preferences for victims of domestic violence, families leaving transitional housing programs such as Sound Families, and households that previously transitioned off housing subsidies owing to earned income.

SHA's successful **community services programs** will continue in 2008, including:

- Continue the successful mental health crisis intervention and case management program in the public housing high-rises that was expanded during FY 2005.
- Assist at least 160 SHA residents and Housing Choice Voucher participants in developing skills and finding jobs through the Job Connection program.
- In collaboration with several partner agencies, pilot the Seattle Asset Building Initiative to help residents move toward economic security.

Organizational improvements

Improvements planned for FY 2008 include:

- Work with HUD to extend SHA's MTW participation.
- Develop a local system for measuring resident satisfaction.
- Increase SHA's ability to function in the face of a crisis or natural disaster.

For more information about SHA's Moving To New Ways annual plan or the MTW program, contact Andria Lazaga, Asset Management Coordinator, at alazaga@seattlehousing.org or (206) 615-3546.

7.2 Economic development implementation policies

7.2.1 Appendix G - SE Seattle NRSA Update

SOUTHEAST SEATTLE NRSA

- 1. INTRODUCTION**
- 2. COMMUNITY CONSULTATION**
- 3. COMMUNITY CONTEXT**
- 4. EXISTING CONDITIONS**
- 5. REVITALIZATION GOALS AND OBJECTIVES**
- 6. STRATEGIES, ACTIONS AND PERFORMANCE MEASURES**
- 7 HUD REGULATORY FRAMEWORK/IMPLEMENTATION APPROACH**
- 8. EVALUATION AND MONITORING**

1. INTRODUCTION

Regulations published by the United States Department of Housing and Urban Development in January 1995 authorize Community Development Block Grant (CDBG) recipients to develop comprehensive approaches to promote economic development within residential neighborhoods that are home to high concentrations of low- and moderate income persons. Known as Neighborhood Revitalization Strategy (NRS) areas, these designations allow neighborhoods more flexibility with the use of federal HUD funds.

This document proposes the continuation of a NRS for Southeast Seattle, that covers the time period from 2005 through 2012. This NRS was previously approved with the 2005 – 2008 Consolidated Plan and it is now necessary to update and resubmit the plan to HUD for re-approval for the period of 2009 – 2012. In addition, the City will annually review progress and adjust the plan as part of the City's annual Update to the Consolidated Plan, as necessary.

The NRS plan describes how the City of Seattle will use its CDBG resources in conjunction with other major local investments in Southeast Seattle to spur redevelopment of Southeast Seattle and maximize benefit to low- and moderate income persons. The other complementary initiatives covered in this NRS plan include the construction of a light rail system serving the community, redevelopment of Seattle's two largest public housing projects, and implementation of a Transit-Oriented Community Development Fund for Southeast Seattle.

The strategies and actions proposed in this NRS Plan are grouped in to three priority areas, based on extensive planning and consultation with community representatives from Southeast Seattle. These three high-priority areas are:

- Business Development and Job Creation
- Housing and Commercial Development
- Parks and Public Infrastructure

Within each priority area, the NRS plan identifies specific strategies and results, and assigns responsibility for the execution of the strategies to wide variety of public and non-profit agencies. Specific results are provided for an intermediate target date of 2008, and a final target date of 2012. All results are being revisited in 2008 to monitor progress-to-date and to determine whether adjustments are appropriate. If necessary, OED will update the relevant sections in 2009. In addition, the City and its non-profit partners will assess progress annually in a report to HUD.

History/background of NRSA

The purpose of the Neighborhood Revitalization Strategy (NRS) program is to assist in the revitalization of economically distressed areas. The Southeast Seattle NRS was developed in response to the U.S. Department of Housing and Urban Development's (HUD) authorization of the Neighborhood Revitalization Strategy (NRS) program. Each NRS area conducts a community-based process to develop a Strategy and actions designed to bolster economic revitalization. This Strategy serves as a planning tool and policy framework for spending federal Community Development Block Grant (CDBG) dollars in the implementation of community goals. Once HUD approves the Strategy, the City of Seattle

receives enhanced flexibility in using CDBG funds in the NRS area. The City's Office of Economic Development (OED) is the lead agency for managing the NRS program in Seattle.

The selection of neighborhoods for which Neighborhood Revitalization Strategies are developed has been determined by a combination of factors. To ensure that the program serves communities with a high concentration of economic distress, neighborhoods are assessed for eligibility based upon HUD criteria and on the community's organizational capacity to carry out the Strategy. The designation is valid for five years, when the NRS must be evaluated and if appropriate, updated, and re-approved by the City Council and HUD. In the first cycle of NRSs (1999 to 2004), HUD approved NRS areas for five Seattle neighborhoods, one of which was Southeast Seattle.

Southeast Seattle has shown evidence of revitalization; however, significant portions of Southeast Seattle remain economically distressed and have significant needs for additional economic development. At the same time, significant public and private investments are underway that present opportunities for catalyzing further revitalization. These include the construction of LINK light rail, the \$50 million Rainier Valley Community Development Fund, two major public housing redevelopments, and the City of Seattle's Southeast Seattle Action Agenda released in March 2005.

As a result, the City of Seattle, with the concurrence of community-based development organizations (CBDOs) in Southeast Seattle, is proposing to focus its resources and renew the NRS for Southeast Seattle. This will enable the City to leverage public and private investments from numerous sources targeted to Southeast Seattle and help transform a historically low-income underserved community.

This document is the 2009 – 2012, third round, updated Neighborhood Revitalization Strategy for Southeast Seattle. The NRS contains the key revitalization goals and a comprehensive set of strategies and actions that the City is proposing to achieve those goals. The actions and associated targets are described for 2008 and 2012 to provide a longer-term framework for achieving revitalization. Within this broad spectrum is a sub-set of strategies for the use of HUD CDBG funds in Southeast Seattle, the vast majority of which will be appropriated for the activities of the Rainier Valley Community Development Fund (RVCDF).

Contents of this Document

Section 3 describes the community outreach that resulted in the Neighborhood Revitalization Strategy for Southeast Seattle. Section 4, Community Context, lays out the proposed boundaries for the Southeast Seattle NRSA. Section 5, Assessment, describes the current economic conditions in Southeast Seattle, and challenges and opportunities for revitalization. Section 6 details the community vision and priorities for Southeast Seattle in three topical areas: Business Development and Job Creation, Housing and Commercial Development, and Parks and Public Infrastructure. Section 7 springboards from the key strategies to specific actions which City agencies and community-based organizations (CBDOs) will undertake to implement the strategies. Each action is paired with performance-based results so residents, implementers and funders may track progress. Section 8 describes the proposed method that the City of Seattle and the community will use to monitor and evaluate progress toward revitalization in Southeast Seattle.

2. COMMUNITY CONSULTATION

The Southeast Seattle NRS is built on extensive community consultation and numerous past and recent planning initiatives. Several venues served as opportunities for involvement, including recent neighborhood planning efforts in Southeast Seattle, as well as direct outreach conducted specifically for the development of this NRS.

Planning initiatives

Southeast Seattle Action Agenda. In the autumn of 2004, this community-led, City-staffed planning process was initiated to develop goals and strategies for Southeast Seattle in five topical areas: Business and Job Creation, Physical Development, Education and Workforce Development, Public Safety/Image, and Arts, Culture and Public Space. A broad cross-section of community leaders that represented residents, businesses, social services, educational institutions, and non-profits, was involved in this effort. Sub-committees were organized for each of the five topic areas and over the initial five-month planning effort, approximately 13 subgroup and 3 full group meetings, involving approximately 50 people, were held. Over the course of the two-month community outreach process, over 600 community residents/members were involved and over eleven neighborhood meetings were conducted. The resulting product, the Southeast Seattle Action Agenda, is a living document that continues to be used as the basis for the City's work in Southeast Seattle. The Action Agenda is being monitored, refined and updated by a team representing several City departments and community organizations. Recommendations from this planning process and the ongoing updates are reflected in this NRS.

Rainier Valley Community Development Fund (RVCDF). The Rainier Valley Community Development Fund is a \$50 million fund established to support community development in the Rainier Valley, which comprises the primary geographic area of the Southeast Seattle NRS. The City of Seattle, along with Sound Transit and King County, established this Fund to support light rail mitigation and overall community development in Southeast Seattle. The City of Seattle is the most significant source for this Fund, committing \$42.8 of the \$50 million. In addition to the funding appropriations, the City has also committed to supporting the creation and development of a community-based development organization, the Rainier Valley Community Development Fund (RVCDF), to oversee and administer the use of monies from the Fund for the revitalization of Southeast Seattle.

Since its inception in 2002, the RVCDF has focused its work on providing supplemental mitigation assistance to businesses being impacted by construction of Seattle's light rail line. As supplemental mitigation activities ramp down in 2008 with the completion of light rail construction, RVCDF is accelerating the Fund's Community Development Program. The Community Development Program will be capitalized primarily by federal CDBG monies appropriated by the City of Seattle.

The RVCDF's work has been organized as the result of significant community engagement since its inception. A community-based Founding Board was created to build the organizational structure and legal foundations for the RVCDF. A community-identified Board, that meets the CBDO requirements, currently leads the organization. In 2005, the RVCDF facilitated an

extensive community process to shape its Community Development Program. To develop the Community Development Program, a stakeholder Steering Committee coordinated community surveys, Technical Advisory Committees, targeted community outreach, and targeted interviews. The creation of the Community Development Program alone has involved several hundred community members in over a hundred meetings. The results of those efforts have directly influenced the NRS strategies in this document.

Housing Investment Areas. In 2003, the Seattle City Council asked the Office of Housing to reexamine the City's Special Objectives Area (SOA) guidelines, which had been adopted over twenty years ago to prevent over-concentration of subsidized housing in economically distressed areas. The process involved analyzing data to identify changes and trends in historically distressed areas and presenting the information to residents and community groups as part of in-depth discussions. These discussions would help the community to identify strategies to achieve housing and community development goals for their neighborhoods. One of the results of the process was designation of eight Housing Investment Areas (HIAs) throughout Seattle, one of which includes a large part of the Rainier Valley. HIA strategies are broader than those for the former SOAs in that they seek to achieve community development and revitalization objectives unique to each area. One of the key HIA strategies is targeting of funds for two Housing Levy programs (the Neighborhood Housing Opportunity Program and the Homebuyer Assistance Program) primarily in those areas.

Other Community Planning Efforts. Several important planning processes have been conducted in Southeast Seattle in the past fifteen years, including the creation of neighborhood plans (1996 to 1999), light rail station area plans (1998 to 2001), and the Southeast Action Plan (1990 to 1991).

Key Community Organizations

The Rainier Valley Community Development Fund (RVCDF) is the primary community organization that will utilize CDBG funds to implement the strategies and actions described in this NRS. The RVCDF was established in 2002 as a community-based response to the construction of light rail transit in Southeast Seattle. Since then, RVCDF has worked to support community development in the areas of small business development and physical revitalization.

In addition to the RVCDF, SouthEast Effective Development (SEED) and HomeSight are also key community-based development organizations, specializing in catalytic real estate development and home-ownership respectively. SEED and HomeSight were involved in developing the 1999 NRSA for Southeast Seattle, and have been involved in all the planning efforts described above. This has provided a strong link and assurance that the strategies in the 2005 NRS are consistent with and supportive of other community plans and initiatives.

The community organizations were consulted individually early in the process of developing the NRSA, to help identify and/or validate revitalization priorities, actions and benchmarks. They also reviewed drafts of the NRS and helped shape it leading up to the final NRS. Their work continues to be focused on achieving the goals and strategies within the NRS and they are

involved in ongoing conversations with the City about changing conditions in SE Seattle and strategies to address them.

3. COMMUNITY CONTEXT

NRSA Boundaries

The NRSA boundaries for 2009 – 2012 remain the same as the 2005 – 2008 NRSA.

North: S Atlantic Street

South: City of Seattle city limits

West: South on S Sturgis Ave, east on S Holgate S, south on 20th Ave S, east on S Hill St, south on 25th Ave S, east on S Walker St, south on 22nd 22nd Ave S, east on S College St, south on 23rd Ave S, east on S Spokane St, south on 24th Ave S, west on Cheasty Blvd S, south on Beacon St S, east on S Columbia Way, east on S Americus St, south on 26th Ave S, east on S Angelines St, south on S Crest Place St, west on S Ferninand St, south on 26th Ave S, east on S Orcas St, south on 32nd Ave S, west on S Raymond St, south on 30 Ave S, west on S Graham St, south on 29th Ave S, west on S Morgan St, south on S Beacon St, east on Myrtle St, south on 33rd Ave S, west on Webster St, South on S Beacon St, South on 36th Ave St, east on Barton St, south on I-5 until Seattle city limits

East: South on 30 Ave S, west on S Massachusetts St, north on 29th Ave S, east pm S Massachusetts Ave, south on Brandon Place S, west on S Massachusetts St, south on 28th St S, east on S Holgate Rd, south on 28th Ave S, east on S Bayview St, south onto 30th Ave S, south on Westmore Ave S, east on Walden St, south on Gale Place, east on Hind S Hind St, north on 36th Ave S, south on York Rd S, south onto 37th Ave S, east on Dakota St S, south on 38th Ave S, east on S Alaska St, south on 42nd Ave S, east on S Dawson St, south on 46^h Ave S, east on S Bennet St, south on 48th Ave S, west on Juneau St S, south on 47th Ave S, east on S Morgan St, south on 51st Ave S, east on S Orchard St, south on Seward Park Ave, south on 56th Ave S, west on S Roxbury St, south on 51st Ave S until Seattle city limits.

The revitalization area includes all or part of the following Census Tracts and Block Groups:

Tract	Block Group
9400	2,3,5
9500	5,6
10000	1,2
10100	3,4,5
10200	3,4
10300	1,2,3,4,5
10400	1,2
11000	1,2,5
11101	1,2,3,4,5
11102	3,4,5
11700	1,2,3,4
11800	3,4,5,6

How area meets demographic criteria

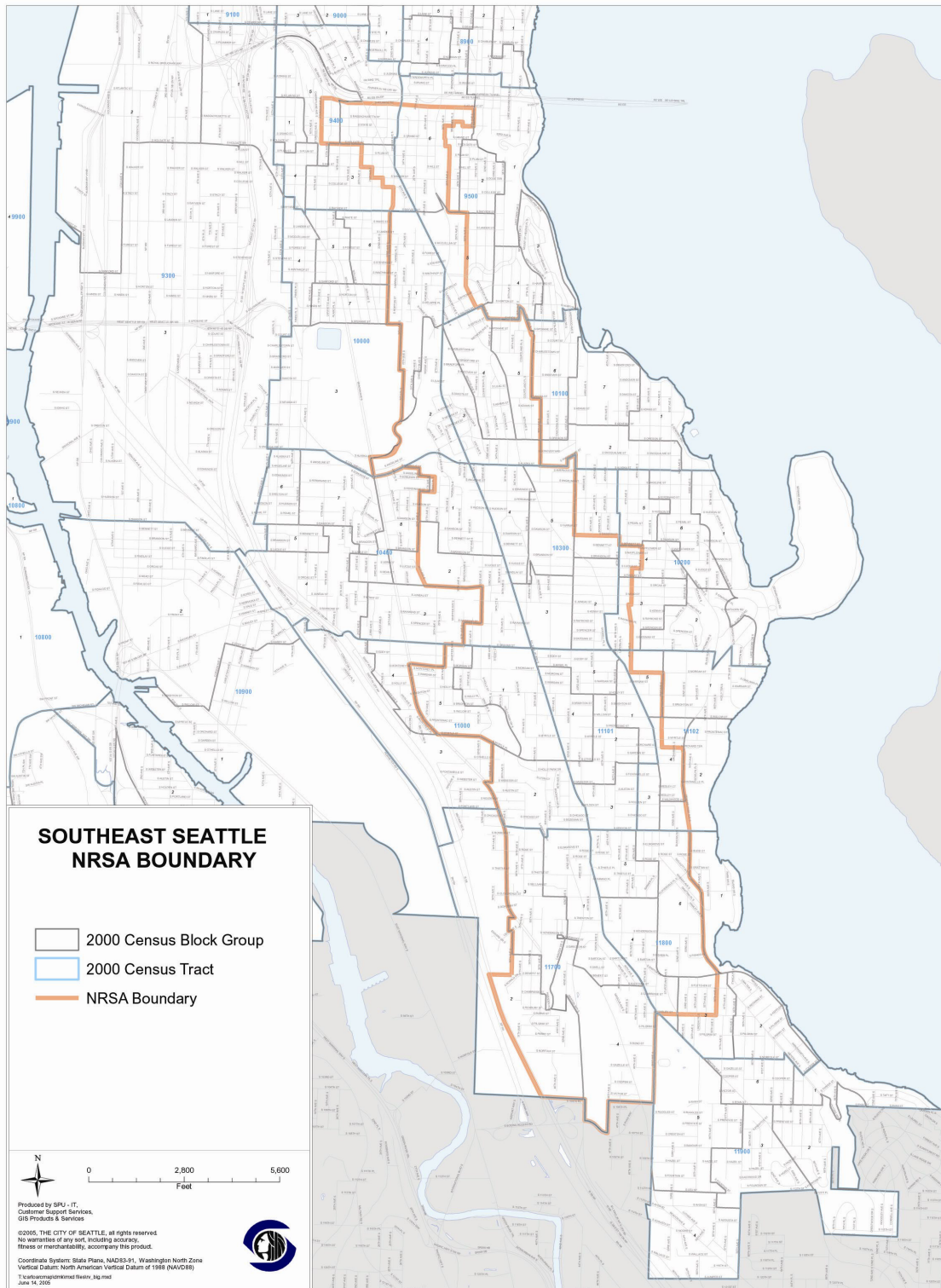
The revitalization strategies contained in this document apply to the designated area depicted in the map below and meet the following criteria:

- The area is comprised of census tracts and block groups where, when taken as an aggregate, more than 54.7% of households are low or moderate-income. The threshold of 54.7% is the “upper quartile percentage” or top 25% of low or moderate-income block groups in Seattle. This is the basic qualifying criteria in order for a neighborhood to qualify as a NRSA. Within the boundaries of the Southeast NRSA, 61.5% of residents are low or moderate income.
- The Southeast NRSA is primarily residential.
- All block groups within the designated NRSA are contiguous.

Geographic Focus

The revitalization area described above is also roughly contiguous with the designated Investment Area for the Rainier Valley Community Development Fund. One key difference is that the western boundary of the NRS area includes parts of Beacon Hill that contain significant low and moderate income Census tracts. The RVCDF Investment Area does not include Beacon Hill because the original mandate of the Community Development Fund is to target the Rainier Valley floor, which is the area in which the light rail surface alignment will be located.

The community has identified several existing and emerging business districts within the NRS area that are priorities for investment. These business areas include: North Rainier/McClellan, Columbia City/Edmunds, Martin Luther King Jr. Way at Graham/Orcas, Martin Luther King Jr. Way at Othello, and Rainier Beach/Henderson. These areas are consistent with targeted areas as described in the *Southeast Action Agenda* and the Rainier Valley Community Development Fund's *Operating Plan* for community development.



History and Geography

Southeast Seattle was first settled in the last part of the 19th century. The area's exceptional timber stands led to construction of timber mills, farming, and residential development. Columbia City, in the heart of the valley, was incorporated as a city in 1892 and later annexed into the City of Seattle. In 1978, the Columbia City Landmark District was established by the City of Seattle, and in 1980 the district was listed in the National Register of Historic Places.

The area has historically been a largely minority, under-invested and low-income area. The Seattle Housing Authority has two major public housing complexes in Southeast Seattle: Rainier Vista and Holly Park. In the last five years, both complexes have undergone major renovation into mixed-use, mixed-income communities integrated with surrounding neighborhoods.

In the 1970's and early 1980's Southeast Seattle and the Rainier Valley suffered the loss of major retail and commercial businesses, including basic retail such as grocery stores. The area's economy slowed and increases in the numbers of residents living in poverty further eroded the commercial base.

The population of the NRS area, while primarily Southeast Asian and African-American, includes all of Seattle's ethnic groups. Recognized as the area of the city with the greatest cultural diversity, Southeast Seattle currently attracts more recent immigrants than any other part of the city. Since the 1980s, many Southeast Asian businesses in particular have opened establishments along Martin Luther King Jr. Way, one of two main corridors that form the backbone of Southeast Seattle. More recently, refugees from East African countries have also settled in the area, further adding to the diverse mix of groups in the community.

4. EXISTING CONDITIONS

Socioeconomic Conditions and Characteristics

- Southeast Seattle has historically been a low-income, underinvested community. The population of nearly 45,000 includes 61.5% low and moderate-income households, compared with 43.9% for the citywide. 17.0% of households live in poverty, compared with 11.8% citywide.⁴
- The unemployment rate in Southeast Seattle is 8.3%, while for all of Seattle it was 5.1% in 1999.⁵ In terms of academic achievement, 15.5% of Southeast students passed the Washington Assessment of Student Learning (WASL) compared with 34.4% citywide.⁶
- Southeast Seattle is also very racially diverse compared with the rest of Seattle. Foreign born residents comprise 36.2% of Southeast Seattle compared with 16.9 across the city. Nonwhite households comprise 80.1% of the total population, compared with 29.9% for the city as a whole.⁷
- Historically, Southeast Seattle has experienced significant underinvestment in business and real estate development. Often, development projects are not built because the market is not mature enough; development costs exceed project value and render projects financially infeasible. Additional public assistance is needed to boost the financial feasibility of development projects, especially those that would spur further revitalization.⁸
- There is also a gap in local services that forces many residents to go outside the community to meet their shopping needs. A survey conducted by the Rainier Valley Community Development Fund in Southeast Seattle reported that more than 60% of respondents expressed a need for more local businesses. Availability of more varied services would reduce retail leakage into neighboring areas.⁹
- Recent years have seen greater public and private investment: the construction of light rail as major public transportation infrastructure; refugee and immigrant businesses; gradual strengthening of business districts such as Columbia City, North Rainier, Rainier Beach; and public housing redevelopments at Rainier Vista and NewHolly.
- These recent public and private investments are helping spur additional revitalization in Southeast Seattle, particularly in Columbia City; however, existing conditions still indicate a need for further revitalization. At the same time, the Southeast community has established its goal that revitalization take place in a manner that is beneficial to, rather than exclusive or displacing of, existing residents and businesses.

⁴ 2000 Census.

⁵ 2000 Census.

⁶ Washington State Superintendent of Public Instruction.

⁷ 2000 Census.

⁸ City of Seattle 2005-2008 Consolidated Plan.

⁹ City of Seattle 2005-2008 Consolidated Plan.

Barriers to Revitalization

A number of challenges exist in achieving the community revitalization vision for Southeast Seattle:

Lack of capital to support business development. Small businesses are an integral part of the Rainier Valley economy. They provide for the needs of neighborhoods, and they provide jobs and income for residents. Many new businesses benefit from the Valley's role as an incubator for new economic entities. Yet many do not have access to credit through traditional sources, and subsequently face difficulty finding the capital to expand their businesses or sustain them through difficult business cycles. Businesses that withstood three years of intensive light rail construction are in a fragile state and face a difficult challenge to recuperate from these impacts.

Under-invested and under-utilized real estate/properties. Despite pockets of recent real estate activity, much of which is either the result of public investment or strong grassroots efforts, new investment is still slow in coming to Southeast Seattle. There is some speculation happening near light rail station areas; however, it remains unproven if developers can earn the rents needed to make projects feasible without public investment. As a result, the community still has many under-utilized and poorly maintained properties.

Retail leakage. Local businesses capture only a portion of local spending. A significant level of residential spending on goods and services is met outside of Southeast Seattle. Business development has not reached its potential capacity.

5. REVITALIZATION GOALS AND OBJECTIVES

Community Vision

As described in section 3, a community-led, City-staffed planning initiative called the Southeast Seattle Action Agenda took place in the fall of 2004. This process affirmed many of the community revitalization goals that emerged from previous processes, and further refined strategies and actions for the dynamic conditions of Southeast Seattle today. Out of the Southeast Seattle Action Agenda process, the community developed the following vision:

Southeast Seattle is a vibrant community where: racial, cultural and economic diversity is embraced and preserved; immigrants are welcomed; all residents have access to economic and educational opportunities, housing, and cultural and recreational amenities; and the economic benefits generated by public and private investments are shared with current residents, businesses and community institutions.

The Southeast NRS adopts this vision and a set of strategies intended to foster *equitable development* in Southeast Seattle by which existing residents and local entrepreneurs as well as future residents and business owners realize the benefits of revitalization, increased prosperity, property values and community well-being. In carrying out the strategies, CBDOs and city agencies will take actions to not displace residents and businesses that desire to remain in the NRS, including but not limited to offering financial resources to existing businesses and providing increased affordable rental and ownership housing options to residents.

Revitalization Priorities

The community consultation efforts described previously have also articulated the community's needs and development goals. The Southeast Action Agenda along with numerous previous planning initiatives have identified key areas for community revitalization. The NRS focuses on three high-priority areas:

- Business Development and Job Creation
- Housing and Commercial Development
- Parks and Public Infrastructure

Business Development and Job Creation. The community has identified as a priority the need to support business development in Southeast Seattle. This support will largely be in the form of providing additional investment through loans and grants to businesses, as well as technical assistance. Much of this work will be facilitated by the Rainier Valley Community Development Fund through the resources of its Community Development loan fund, which is being capitalized primarily with CDBG dollars. The City will also support this goal through other commitments such as assisting with marketing efforts and piloting a wireless internet access area. The objectives of this goal are to:

1. Encourage local ownership of properties and businesses.

2. Provide opportunities for local businesses to benefit from the increased economic activity that will result from the substantial public and private investment planned for the area.
3. Diversify and increase the availability of retail goods, services and jobs within the Rainier Valley.
4. Preserve the multi-ethnic mix of local entrepreneurs.
5. Promote local residential spending that reinvests in the community while strengthening the area's role as a shopping destination.
6. Increase employment opportunities through the strengthening of Rainier Valley businesses.

Housing and Commercial Development. The community has also identified as a priority the need to encourage continued investment in housing and commercial development in Southeast Seattle. As with business development, much of this support will be in the form of providing loans and grants as incentives to property owners and developers, facilitated by the Rainier Valley Community Development Fund through the resources of its Community Development loan fund, which is being capitalized primarily with CDBG dollars. The City will also support this priority area through investment in housing and mixed-use catalyst developments. The objectives of this goal are to:

7. Promote opportunities for housing, commercial, mixed-use and transit-oriented developments that benefits the people who live and work in the Rainier Valley.
8. Preserve the unique characteristics of existing neighborhoods and their racial, cultural and economic diversity.
9. Improve Rainier Valley's physical environment by enhancing the commercial and multi-family residential building stock.
10. Augment the supply of affordable housing to limit the potential for displacement caused by rising living costs associated with increased public and private investment.

Parks and Public Infrastructure. The City will support physical revitalization through other commitments to invest in new open space, build an effective multimodal transportation system, and support expansion of community and cultural facilities.

11. Improve the quality of the built environment in the Rainier Valley by supporting improvements in open space, transportation and infrastructure.
12. Increase cultural and recreational opportunities and programs that reflect the Rainier Valley's diverse population into all community development strategies.

6. STRATEGIES, ACTIONS AND PERFORMANCE MEASURES

This section includes current and future strategies to support revitalization in Southeast Seattle. The strategies provide the shape and direction for neighborhood revitalization and are the link between broad goals and objectives and specific implementation actions. The strategies are borne primarily from elements of the Southeast Seattle Action Agenda.

In this section, each strategy is grouped by goal, related to objectives and followed by action steps which are being or will be undertaken by CBDOs and/or City agencies. Performance results are also included for each action. Results are provided for an intermediate target date of 2008, and a final target date of 2012. All results are being revisited in 2008 to monitor progress-to-date and to determine whether adjustments are appropriate. Note that projected results are cumulative; 2012 figures include 2008 projections. In addition, the NRS will comply with annual reporting requirements to HUD. Where the City has already begun to complete an action or made a definitive commitment to complete an action, this is also indicated. The status of each activity and goal has been updated as of December 31, 2007 and reported to HUD in the 2007 CAPER.

The strategies and actions are grouped by the three priority areas; within each, specific strategies fall into one of two categories: 1) Those that describe how HUD Block Grant Funds will be used to support the Community Development Program of the Rainier Valley Community Development Fund and 2) Other public investments that will support revitalization in Southeast Seattle.

A. BUSINESS DEVELOPMENT AND JOB CREATION

Strategy 1: Increase awareness and usage of available business technical assistance and financing, with a particular emphasis on serving the multi-ethnic communities of the Rainier Valley in a culturally appropriate and effective manner. *Strategy 1 achieves objectives #1, 2, 4 and 6.*

Action 1a: Identify and fund new approaches to improve access to technical and financial services for limited English speaking business owners.

City Commitment: OED will emphasize the improvement of services to refugee and immigrant owned businesses in its program that funds technical assistance for low- to moderate-income business owners.

Result by 2008: 25 microenterprises in the Rainier Valley will receive technical assistance with emphasis on immigrant and refugee owned businesses.

Action 1b: The RVCDF will continue to leverage its unique expertise in establishing relationships with small businesses, especially ethnic businesses, to provide culturally-competent technical assistance.

Result by 2008: RVCDF will provide technical assistance to at least 200 small businesses, with a primary focus on those impacted by light rail construction.

Result by 2012: RVCDF will provide technical assistance to a total of 280 small businesses with a shifting focus on serving businesses throughout the Rainier Valley through the RVCDF's long term community development initiatives.

Action 1c: Improve environmental practices of small business owners.

City Commitment: The City Office of Sustainability will work with the utilities to increase technical and financial assistance to business owners and operators with limited English, for energy and water efficiency, recycling and waste prevention, hazardous materials reductions and storm water pollution prevention. Outreach in 2005 will focus on restaurants and bakeries in Southeast Seattle.

Result by 2008: The City will approach at least 60 small business owners and operators with limited English in effort to improve access to City services to improve energy and water efficiency, recycling and waste prevention, hazardous materials reductions and storm water pollution prevention by mid-2006. The City will have evaluated the success of the program and determine how best to continue to serve this group of businesses.

Strategy 2: Support businesses along Martin Luther King Jr. Way S to mitigate the disruptions caused by light rail construction and benefit from the increased economic activity resulting from the substantial public and private investment planned for the area.

Action 1: RVCDF will design and administer a program that provides payments to businesses for actual losses and relocation costs incurred due to light rail construction that supplements payments made by Sound Transit.

Result by 2008: RVCDF will reach out to all 300 businesses impacted by light rail construction and provide \$15 million of financial assistance to 200.

Result by 2012: At least 150 of the 300 impacted businesses along the light rail alignment will continue to be operating in the Rainier Valley.

Strategy 3: Provide financial assistance to small businesses that currently do not have access to and/or are not reached by existing community lenders, with an emphasis on supporting the retention and growth of locally-owned businesses in the Rainier Valley. *Strategy 4 achieves objectives #1, 2, 3, 4, 5 and 6.*

Action 3: RVCDF will conduct outreach to businesses throughout its service territory to offer access to its products and services to support business development in Southeast Seattle.

Result by 2008: RVCDF will complete: (a) outreach to at least 21 businesses; (b) at least 7 Business Incentive Loans resulting in at least 25 new jobs in the Rainier Valley; and (c) at least 10 Business Interest Subsidy Grants, in partnership with another community lender, by the year 2008 resulting in 10 new jobs in the Rainier Valley.

Result by 2012: RVCDF will complete: (a) outreach to at least 90 businesses; (b) a total of at least 30 Business Incentive Loans resulting in at least 125 new jobs in the Rainier Valley; and (c) at least 30 Business Interest Subsidy Grants, in partnership with another

community lender, by the year 2008 resulting in 30 new jobs in the Rainier Valley.

Strategy 4: Develop wireless and high speed internet access in the Rainier Valley to spur business growth and development. *Strategy 5 achieves objectives #2, 3, and 6.*

Result by 2008: Wireless network is installed in the Columbia City business node along Rainier Avenue: (S. Alaska to S. Dawson) and is available through 2008.

Result by 2012: Network functions through 2010, and by 2012 decision is made whether or not to continue and/or expand network into other neighborhoods.

Strategy 5: Initiate and execute a concerted marketing and public outreach effort highlighting the opportunities and successes in the Rainier Valley. *Strategy 6 achieves objectives #2, 3, 4, and 5.*

Action 5: The Rainier Valley Chamber of Commerce will coordinate the development of a marketing strategy. Participants will include representatives of neighborhood business district organizations, key business leaders, Sound Transit, Seattle Housing Authority, and the City of Seattle. OED will provide \$20,000 to pay for the development of the strategy leading and the Chamber will coordinate the fundraising to pay for the implementation of the campaign.

City Commitment: City has provided \$20,000 for a marketing campaign to promote the Rainier Valley and its businesses.

Result by 2008: Rainier Valley Chamber of Commerce has developed marketing plan and is coordinating its implementation among participants.

Result by 2012: Marketing plan is completed.

Strategy 6: Support creation of new jobs for local residents by supporting pre-apprenticeship training and job placement for employment opportunities emerging from light rail construction. *Strategy 7 achieves objectives #2 and 3.*

Action 6: The City of Seattle will provide CDBG funds to the Rainier Valley Community Development Fund to implement a four-year pre-apprenticeship program.

City Commitment: City of Seattle is dedicating \$2 million over four years to support this program.

Result by 2008: 160 local residents provided with pre-apprenticeship training and 220 job placements completed.

B. HOUSING AND COMMERCIAL DEVELOPMENT

Strategy 1: Encourage development in neighborhood business districts and light rail station areas in Southeast Seattle through incentives, such as increased height/density and reduced parking, provision of public amenities and other planning tools. *Strategy 1 achieves objectives #7 and 8.*

Action 1a: Evaluate market conditions, zoning and other land use regulations at light rail stations. (OED, OPM, DPD, OH)

Result by 2008: By 2006, complete a feasibility analysis of potential development incentives at key sites, including incentives to encourage affordable housing and public amenities.

Action 1b: Revise land use codes in neighborhood business districts (DPD).

Result by 2008: By 2005, land use revisions made that simplify regulatory requirements, permit residential-only buildings outside designated pedestrian areas, allow more flexibility for parking and open space, and make other changes to promote revitalization.

Action 1d: Support the completion of Seattle Housing Authority's NewHolly project, particularly the redevelopment of the mixed commercial-residential area adjacent to the Othello station area, into a pedestrian-friendly and transit-oriented community. (OPM, OED, OH)

Result by 2008: Planning and any regulatory changes needed to complete the Othello station area at NewHolly are completed.

Action 1e: Support the completion of SEED's Rainier Court mixed-use project by assisting with site assembly and project financing. (OED, OH)

Result by 2008: Site assembly for all phases of the Rainier Court development is completed.

Strategy 2: Support development and preservation of homeownership opportunities, including ownership options for low-income and first-time homebuyers, through land use approaches and financial assistance. *Strategy 2 achieves objectives #7, 8, 9 and 10.*

Action 2a: Encourage the development of town homes and condominiums in and near neighborhood business areas to promote market rate and affordable homeownership options close to retail services and transit. (OH, OED, DPD and RVCDF)

Action 2b: Support the development of attached and detached for-sale housing at NewHolly and Rainier Vista, including affordable homes constructed by private builders and Habitat for Humanity. (SHA and OH)

Results by 2008 for Actions 2a and 2b: 406 homeownership units developed or under development due to City, SHA or nonprofit activities

Results by 2012 for Actions 2a and 2b: 458 homeownership units developed or under development due to City, SHA or nonprofit activities

Action 2c: Propose legislation allowing cottage housing developments in Southeast Seattle. (DPD)

Results by 2008: By 2006, legislation will have been introduced to Council.

Action 2d: Propose code amendments to allow detached accessory dwelling units in single-family zones in Southeast Seattle, providing opportunities for rental income for homeowners and for housing that accommodates extended families. (DPD)

Results by 2008: By 2005, legislation will have been introduced to Council.

Action 2e: Work with housing developers, lenders and housing counseling organizations in Southeast Seattle to market the availability of City-funded down payment assistance for low-income, first-time homebuyers purchasing new and existing homes. (OH)

Action 2f: Through a new partnership with Fannie Mae and local lenders, provide housing rehabilitation loans in conjunction with down payment assistance loans to help first-time homebuyers to purchase lower cost homes in revitalizing neighborhoods. The program will also provide refinance of first mortgages in conjunction with rehab loans. (OH)

Action 2g: Provide housing repair loans and weatherization grants for low-income homeowners whose homes are in need of health and safety repairs. (OH)

Results by 2008 for Actions 2e, 2f & 2g:

35 first-time homebuyers receive City purchase assistance

45 low-income homeowners receive home repair loans

480 low-income residents receive weatherization grants

Results by 2012 for Actions 2e, 2f & 2g:

55 first-time homebuyers receive City purchase assistance

90 low-income homeowners receive home repair loans

960 low-income residents receive weatherization grants

Action 2h: Working with community partners, prevent displacement of low-income homeowners by educating about the dangers of predatory lending, which is often targeted at minority homeowners and lower-income and minority neighborhoods. (OH)

Results by 2008: information about predatory practices, in a variety of languages, is provided to residents attending homebuyer education classes and requesting information about low-cost home repair programs.

Strategy 3: Support rental housing development and preservation for a range of household sizes and a mix of incomes, including opportunities for low-income households and larger families, through land use approaches and financial assistance. *Strategy 3 achieves objectives #7 and 10.*

Action 3a: Continue to support rental housing development and preservation through City and nonprofit lending programs, with an emphasis on developments located within the neighborhood business areas designated as urban villages. (OH and RVCDF)

Action 3b: Support the development of market rate and affordable rental housing at NewHolly and Rainier Vista. (SHA and OH)

Action 3c: Encourage development of rental housing in mixed-use buildings that contain commercial space and/or community facilities, as a catalyst for neighborhood revitalization, using the Seattle Housing Levy's Neighborhood Housing Opportunity Program and other fund sources. (OH and CDF)

Result by 2008 for Actions 3a, 3b and 3c:

825 rental housing units constructed or preserved using public funds and/or incentive programs; 742 of these will have long-term affordability for households below 60% of median income.

Result by 2012 for Actions 3a, 3b and 3c:

1,340 rental housing units constructed or preserved using public funds and/or incentive programs; 890 of these will have long-term affordability for households below 60% of median income.

Strategy 4: Support the development and improvement of commercial properties, providing opportunities for business growth and new jobs. *Strategy 4 achieves objectives #5, 8, 9 and 11.*

Action 4a: Identify and fund at least one small to medium scale development project that allows local businesses to become owners of their place of business.

Result by 2008: RVCDF will provide financing to HomeSight as the developer of at least one or more commercial properties that will result in at least 5 local businesses becoming owners of their place of business. RVCDF will coordinate or partner with other CBDOS as appropriate.

Result by 2012: Development project (s) completed.

Action 4b: Provide loans for development of commercial properties (OED and RVCDF) *See Business Development and Job Creation, Strategies 2, 4 and 5.*

Action 4c: By 2005, submit an application for federal New Market Tax Credits with a substantial amount targeted to development projects in the Rainier Valley. (OED)

Results by 2008 for Actions 4a, 4b and 4c: The creation of 85 new jobs.

Result by 2012 for Actions 4a, 4b and 4c: The creation of 265 new jobs

Strategy 5: Continue to build community capacity to carry out community services and revitalization efforts by supporting key community-based partners, especially CBDOS. *Strategy 5 supports all the objectives.*

Action 5a: Provide CDBG funds to the RVCDF for revitalization activities as described in the RVCDF Operating Plan and Operating Plan Amendment, including site assembly loans and real estate financing loans for residential and commercial developments. (OED)

Result by 2008: City will fund the program delivery cost of the RVCDF per RVCDF Operating Plan Amendment.

Result by 2012: City will fund the program delivery cost of the RVCDF per RVCDF Operating Plan Amendment.

Action 5b: Assist social service agencies to improve, enhance, or increase social services capacity by providing affordable or forgivable loans to improve their facilities. Provide architectural and construction management assistance to ensure the development and completion of sound and efficient capital projects. (HSD)

Result by 2012: Completion of 3 social service community facilities

Action 5c: Continue to support CBDOs and other local non-profit organizations in their efforts to revitalize Southeast Seattle. (OED)

Result by 2008: CBDOs business plans are aligned with the NRS and other community plans and initiatives that support community development in the Rainier Valley. CBDOs have a culturally sensitive systematic community outreach approach to solicit input and educate the community about its goals, mission, initiatives, services and products.

Result by 2012: CBDOs business plans are aligned with the NRS and other community plans and initiatives that support community development in the Rainier Valley. CBDOs have a culturally sensitive systematic community outreach approach to solicit input and educate the community about its goals, mission, initiatives, services and products.

C. PARKS AND PUBLIC INFRASTRUCTURE

Strategy 1: Address the conflicting demands on Rainier Avenue as a major arterial and neighborhood business district “Main Street.” *Strategy 1 achieves objectives #8 and 11.*

Action 1a: Identify and address pedestrian safety issues through the installation of sidewalks, crosswalks and other traffic safety measures. (SDOT)

Result by 2008: Complete 44.4 lane miles of paving on arterial streets.

--Complete 56.5 of paving on non-arterial streets.

--Complete 17 sidewalk or curb enhancement projects.

--Complete 13 or more neighborhood traffic calming projects such as traffic circles or speed humps.

Result by 2012: 5 miles of new concrete roadway and sidewalks, new street lights (with substantially higher light level than existing), a new state-of-the-art signal system, including CCTV, emergency vehicle signal preemption, and 10 new signalized pedestrian crossings (from 21 today, to 31 when it's finished), and nearly 1,000 new street trees. Sidewalks, lighting, and landscaping are being improved for 1 mile along South Edmunds (to Columbia City) and for 1.5 miles along South Henderson (to Rainier Beach) to improve pedestrian connections to Light Rail stations.

Action 1b: Identify transportation needs and develop comprehensive transportation improvement financing and programming for Southeast Seattle. (SDOT)

Result by 2008: Completion of multimodal transportation plan which will serve as a blueprint for transportation improvements in Southeast Seattle for next twenty years. Implementation of improvements according to investment strategy.

Result by 2012: Implementation of improvements according to investment strategy.

Strategy 2: Increase the amount of community facilities and public open space in Southeast Seattle. *Strategy 2 achieves objective #12.*

Action 2: Improve existing community, park and open space facilities in Southeast Seattle. (Parks)

Result by 2008: City will commit 1) over \$4 million to make improvements to two community centers in Southeast Seattle by 2006; 2) over \$14 million to make improvements to enhance twelve public parks or open spaces in the Rainier Valley, including Columbia Park, John C. Little Park, Martin Luther King Jr. Way Memorial Park, Hillman City P-Patch, Jefferson Park, Lake Washington Boulevard, the Amy Yee Tennis Center, Brighton Playfield and the Mapes Creek Walkway; 3) additional funding to acquire property in the Kubota Garden Natural Area and the East Duwamish Greenbelt.

Result by 2012: Additional improvements will occur through the Department's Capital Improvement Program and through grant funded projects.

Strategy 3: Provide and/or assist in the development of open space that provide recreational opportunities. *Strategy 3 achieves objectives #11 and #12.*

Action 3: Provide additional “off-road” recreational opportunities to walk or bike between Beacon Hill and the southern boundary of Rainier Valley. (Parks, SDOT)

Result by 2008: City has initiated construction of the initial 3.6 mile segment of the Chief Sealth Trail in Southeast Seattle.

Result by 2012: Completion of the next 1.5 mile segment of Chief Sealth Trail in Southeast Seattle.

Strategy 4: Support completion and launch operations of light rail construction in Southeast Seattle. *Strategy 4 supports objective #11.*

Action 4a: City will continue to provide staff resources to coordinate with Sound Transit during light rail construction. This includes construction liaison support, and strategic planning services

Result by 2008: 5 miles of Light rail construction in Southeast Seattle will be completed and in testing mode.

Result by 2012: 5 miles of Light rail in Southeast Seattle completed and operational, with 9,600 boardings at the 4 Rainier Valley stations per day.

Action 4b: City of Seattle is relocating and upgrading major utilities (water, sewer, drainage, electricity) along Martin Luther King Jr. Way South as part of its contribution to light rail construction

Result by 2008: Work complete. All new sewer (trunk and service lines), water, and drainage for the entire length of the corridor, including new service connections to more 300 properties. Water work includes over 13,000 feet of new water pipe. All new overhead electrical and telecommunications utilities south of Henderson Street (about 1 mile), and overhead utilities relocated to new underground utilities north of Henderson (about 4 miles), including new service connections to more than 300 properties.

Result by 2012: All work complete.

7. HUD REGULATORY FRAMEWORK/IMPLEMENTATION APPROACH

In Southeast Seattle, the Rainier Valley Community Development Fund (RVCDF) will be one of the key community-based organizations with primary responsibility for implementing the strategies and actions described in this NRS. The RVCDF was incorporated in 2002 as 501(c)(3) non-profit organization to correct the causes of “community deterioration through forms of debt or equity to distressed small businesses and to nonprofit institutions and other organizations working directly with those otherwise disadvantaged by such problems.” In this capacity, the RVCDF is leading the implementation of the \$50 million Transit-Oriented Community Development Fund for Southeast Seattle (the Fund). The City, King County and Sound Transit agreed to create this Fund in 1999 to help mitigate impacts of light rail construction and to support revitalization in Southeast Seattle.

An Operating Plan adopted by the City of Seattle and Sound Transit in 2002 describes the initial purposes of the Fund to assist businesses impacted by light rail construction. This work is referred to as supplemental mitigation account activities and has been administered by the RVCDF since its inception. However, the long-term vision for the Fund is to use a large portion of it to contribute to the long-term revitalization of the Rainier Valley. Over the last two years, the Rainier Valley community, led by the Board of the RVCDF, has worked with City, County and Sound Transit staff to develop a Community Development Program as an amendment to the original Operating Plan. This amendment will define and govern the activities, products, and approaches to program delivery and accountability for the Fund.

The Rainier Valley Community has established goals for the Community Development Program that will be incorporated into the amendment to the Operating Plan. They are as follows:

- Support projects that benefit low- and moderate-income residents, businesses, and institutions in the Rainier Valley.
- Use community development funds as a catalyst for fostering commercial and residential development in the Rainier Valley.
- Improve Rainier Valley’s physical environment by enhancing the commercial and multi-family residential building stock.
- Encourage local ownership of properties and businesses.
- Increase employment opportunities through the strengthening of Rainier Valley businesses.
- Augment the supply of affordable housing to limit the potential for displacement caused by rising living costs associated with increased public and private investment.

In addition to accomplishing these goals, the community has established a complementary goal of using a portion of the Fund to support the establishment of a community development financial institution that can invest in the Rainier Valley for many years to come. As such, the RVCDF will administer and implement the Community Development Program of the Fund and originate loans as a Community Based Development Organization (CBDO), as defined by the Department of Housing and Urban Development (HUD), using federal Community Development Block Grant funds provided by the City of Seattle. The revenues from the original loans using CDBG would be held permanently in Trust for the benefit of the Rainier Valley Community and

administered by the RVCDF in its capacity as Trustee. The amendment to the Operating Plan will establish the parameters of the Trust relationship and a subsequent Trust Agreement will determine the specific responsibilities of the RVCDF.

The Community Development Program will be capitalized by public funds to be appropriated by the City of Seattle between 2005 and 2012 to pay for activities defined in the Operating Plan Amendment. Of the total \$50 million mandated for use in Southeast Seattle, up to \$21.5 million may be spent on supplemental mitigation activities, and \$2 million is earmarked for a four-year pre-apprenticeship job training program, per the original 2002 Operating Plan. The remainder will be available for the Community Development Program as defined in the Operating Plan Amendment. Any residual funds not used for supplemental mitigation activities, any funds repaid from supplemental mitigation advances (unless recommitted for supplemental mitigation) and any interest earned on community development loan payments will be dedicated to eligible activities defined in the Operating Plan Amendment.

The Community Development Program will focus on needs identified through several community-based planning efforts, including the Southeast Action Agenda developed in the autumn of 2004. These efforts have consistently identified two critical community priorities: 1) supporting business growth and development, and 2) promoting physical improvements in the Rainier Valley. The Community Development Program is a direct and strategic response to these objectives.

The Community Development Program will consist of two lines of business: Business Development and Real Estate Development. For the initial use of funds for community development purposes, 25% of funds governed by the Operating Plan Amendment will be targeted to Business Development and 75% will be targeted to Real Estate Development. Business Development encourages small business formation, strengthens existing businesses in the Rainier Valley, and promotes job creation. Business loan and grant products include a Business Interest Subsidy Grant and a Business Incentive Loan.

Real Estate Development encourages new catalyst development and physical improvements in the Rainier Valley. This includes a range of physical revitalization activities involving both new construction and rehabilitation of existing building stock, for the purpose of stimulating economic activity, increasing the inventory of commercial spaces for Rainier Valley businesses, and promoting affordable housing for Rainier Valley residents. Real estate loan and grant products include a Site Assembly Loan for Non-profits, a Site Assembly Loan for For-profits, a Site Assembly Interest Subsidy Loan, and a Real Estate Financing Loan.

As the implementing organization of the Community Development Program, the RVCDF will maximize benefit to the community in the most cost-effective manner, strategically using its strengths and expertise, while leveraging the strengths and expertise of other community partners when appropriate. As such, the RVCDF will directly provide some products, while others will be offered in conjunction with established partner organizations.

In order to achieve the community's revitalization goals, the City of Seattle is proposing to use a portion of the CDBG funds dedicated to the Fund as identified below:

1. Business Interest Subsidy Grant: The Business Interest Subsidy Grant will address an existing gap in business lending by enhancing the access of Rainier Valley businesses to loan products currently offered by community-based lending organizations. This product targets borrowers who are less experienced, have poorer credit, and/or inadequate personal assets that could be used as “collateral.” The purpose of this grant is to provide an opportunity for those businesses to improve their operations. The grants can be used for working capital or for machinery and equipment.

RVCDF will market the product to eligible businesses and will partner with an existing organization that currently provides a business loan product. The partner organization will originate the loan using its own monies, and the RVCDF will provide a commitment to pay half of the borrower’s annual interest costs on the loan. The effect of the grant would be to lower the interest cost to the borrowing business and provide additional lending capacity in the Rainier Valley. Each individual transaction will be approved by the RVCDF Board and subject to a final CDBG eligibility determination by the City of Seattle.

The City of Seattle is proposing that HUD release the entire interest subsidy grant upon a determination of eligibility rather than release small monthly grants over a ten year period. This will simplify administration of the Fund and substantially reduce the workload for RVCDF and City staff. Any interest earned off the interest subsidy grant will be tracked by RVCDF but will not be treated as program income, pursuant to CFR 24 §570.500(c). RVCDF is a CBDO and is not designated as a subrecipient.

2. Site Assembly Interest Subsidy Loans: This product will help address the impediment of high carrying costs for land using currently available loan products. The product supports site acquisition and land assembly for CDBG eligible projects undertaken by non-profit developers. The Fund will help these developers by assuming some of the cost of assembling land in the Rainier Valley for CDBG eligible projects. RVCDF will partner with an organization that already funds site acquisition for non-profit developers. The partner organization will provide a loan for site acquisition for a CDBG eligible project, and the Fund will provide an interest-free loan for up to 50% of the interest costs of the primary loan.

The City of Seattle interprets 24 Code of Federal Regulations Part 570.203 to allow the use of interest supplements to support a CDBG eligible economic development undertaken by a private non-profit corporation, as proposed under this product of the Fund. HUD confirmation of that interpretation is hereby requested as part of their review of this Southeast Neighborhood Revitalization Strategy.

8. EVALUATION AND MONITORING

The revitalization strategies and actions described above are aimed at making Southeast neighborhoods more livable and economically vibrant for new and existing residents alike. Such outcomes are in concert with Seattle's Comprehensive Plan goals and are the intended result of the Southeast Seattle NRS.

How will we know that revitalization is happening? At what point will barriers limiting private market investment be overcome? And how can a balance be achieved between upgrading residents' incomes, local housing values and business investment while still retaining economic and ethnic diversity? While these are difficult questions, we believe a rigorous solution lies in a two-pronged approach to monitoring and evaluating NRSA activities and results.

First, this document includes *Output* measures for each activity and identifies the public or non-profit agency responsible for the result. These measures, as described in Section 7, are 4-year targets toward which progress will be assessed annually. Second, the City of Seattle will use indicators to assess the overall *Outcome* of revitalization as defined by a more livable and economically vibrant Southeast Seattle. The indicators below are directly related to the socioeconomic conditions described in Section 5. They have been selected because they are available on a regular basis over time, are relatively cost-efficient to obtain, and can act as a proxy to answer the broader question of "How do we know if Southeast Seattle is revitalizing?"

Revitalization outcomes will be reported in 2008 and 2012. The 2012 evaluation will include a community profile showing demographic and market changes in the SE NRSA, based on the results of the 2010 Census. The Census is the best source of information to allow a detailed look at changes in household incomes, race and ethnicity, homeownership rates, and other community characteristics within the NRSA boundaries. This information will help the City and the community assess whether, and to what extent, the revitalization has occurred at the expense of the racial and economic makeup of the Rainier Valley. It is the intent of this strategy to achieve economic revitalization with minimum impact on the racial, ethnic and economic diversity that distinguishes the Rainier Valley.

In addition, the City will evaluate outcomes of the SE NRSA as achieved through calendar year 2008 and 2012 based on the indicators provided below:

HOUSING INDICATORS

Existing Condition: Historically, Southeast Seattle has been underinvested in real estate development. Public support is needed to increase the economic feasibility of new workforce housing, which would boost revitalization.¹⁰ Providing housing units that are affordable to lower-income families is another important NRSA goal.

Indicators of Revitalization:

- Progress toward the Comprehensive Plan 2024 residential growth targets for the four Rainier Valley urban villages, which call for 2,890 net new households.

¹⁰ City of Seattle 2005-2008 Consolidated Plan.

- In accordance with the Comprehensive Plan, at least 20% of new housing units would be affordable to households earning up to 50% of median income and at least 17% of new housing units would be affordable to households earning 51-80% of median income.¹¹
- Maintain or increase the supply of rental housing affordable to households with incomes up to 60% of median income, which is currently about 3,750 units.¹²

EMPLOYMENT/BUSINESS INDICATORS

Existing Condition: Gaps in local services force many residents to go outside the community to meet their shopping needs. A more diverse range of available services would increase spending in Southeast Seattle and support business growth.¹³ An increase in jobs within the NRSA would be another sign of economic revitalization.

Indicators of Revitalization:

- An increase in the number of City business licenses in Southeast using the 2004 figures as a baseline.
- An increase in the number of loans to small business owners in the Rainier Valley originated by the Rainier Valley Community Development Fund, Community Capital Development and Cascadia Revolving Loan Fund using the 2004 totals as a baseline.
- Progress toward the Comprehensive Plan 2024 employment growth target for the North Rainier Hub Urban Village, which calls for 750 net new jobs.

COMMUNITY DEVELOPMENT INDICATORS

Existing Condition: Recent years have seen greater investment in Southeast Seattle, particularly due to light rail construction and major redevelopment at Rainier Vista and NewHolly by Seattle Housing Authority.

Indicator of Revitalization: Private-market residential and commercial development underway in the McClellan and Othello LINK light rail station areas.

¹¹ Seattle's Comprehensive Plan, Policy H30, January 2005.

¹² Establish number of housing units affordable to low-income households through OH MFDB data by block group and Dupre+Scott survey.

¹³ City of Seattle 2005-2008 Consolidated Plan.

7.3 Human Services implementation policies

7.3.1 Appendix H: HOPWA Funding and Program Eligibility Criteria

The City of Seattle is the grantee for HUD HOPWA funds for King and Snohomish counties. The current annual HUD HOPWA allocation to King/Snohomish counties is approximately \$1.6 million. HOPWA funds are used to support people disabled by HIV/AIDS in housing and provides short-term rental subsidies in project based and tenant based subsidy programs.

Over 300 people will receive rental subsidies through HOPWA funding provided by HUD (project based and tenant based subsidies and operating costs). The importance of these funds in helping to stabilize the lives of persons living with AIDS is reflected in our local program's client outcomes. The National HOPWA goal for housing stability is 80% of HOPWA clients will maintain housing stability, avoid homelessness and access care. In Seattle, King and Snohomish counties, HOPWA outcomes exceed HUD goals with over 90% of clients remaining stable in housing.

Policies and guidelines for HOPWA-funded services are developed by the City of Seattle's Human Services Department (HSD), HUD's local HOPWA grantee for King and Snohomish County. HSD follows federal statute and HUD's regulatory framework and considers recommendations of the community-based AIDS services organizations, health professionals, and interested members of the public that comprise the AIDS Housing Committee (AHC). The AHC acts as the Human Services Department's (HSD) advisory council regarding formation and implementation of policies related to providing housing services and related assistance to low-income persons and households living with AIDS.

Consistent with HUD regulatory guidelines and past local practice as accepted by HUD, HSD establishes the following eligibility guidelines for HOPWA-funded services:

- Medical diagnosis provided by a physician of HIV-positive status, regardless of the presence or absence of concurrent symptoms; or HIV/AIDS, or AIDS, or disabled by AIDS; and
- Household income not to exceed 50% of HUD Area Median Income.

These guidelines shall remain effective from January 1, 2008 through December 31, 2012, unless modified in this period by the City and such modification is specifically approved by HUD.

Funding Process and Allocation Plan for HOPWA: As the regional administrator for HOPWA funding in King and Snohomish Counties, the Seattle Human Services Department implements its HOPWA investments in programs and projects through open and competitive Request for Investment (RFI)/Request for Proposals (RFP) processes. Information about funding

opportunities are announced and information is available and accessible by community agencies. Eligible applicants are encouraged to attend a proposers' conference to receive information about local funding priorities, proposal requirements, applicant eligibility, and the funding process. Interested agencies may respond by submitting a proposal requesting an investment by the City of Seattle for a specific project, program, or service. Proposals are evaluated and programs are selected for funding based on criteria outlined in the RFI/RFP.

The Allocation Plan for 2009 includes HOPWA funds for projects. An RFP is planned in 2009 for 2010 funding, based on current planning work of the AIDS Housing Committee to identify projected needs for housing and services over the next three to five years.

7.3.2 Appendix I: Social Services Neighborhood Notification Guidelines (as adopted through approval of the 2008 Update to the 2005-2008 Consolidated Plan)

Prior to application to the Human Services Department (HSD) for City funding or if there is no application, then before any City Council action to appropriate funds, for development of a new, or material expansion of an existing, social service facility, applicants should prepare and begin implementing neighborhood notification activities, including but not limited to, those outlined below. These guidelines shall also apply to social service agencies seeking any City commitment to acquire any interest in any social service facility being developed or expanded.

Social service facilities include any facility for which Community Development Block Grant (“CDBG”) may be allocated for capital purposes as a “public facility” activity, whether or not CDBG funds are used. These include, but are not limited to: emergency shelters, housing assistance services, hygiene facilities, food banks, child care facilities, adult day care facilities, employment referral or training facilities, drug/alcohol treatment facilities, and facilities providing counseling and case management services.

Neighborhood notification efforts are intended to facilitate open, ongoing communication between a social service agency and neighbors. This requires cooperation by the social service agency, the City, and neighborhood residents. A positive, open relationship between the social service agency and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of ironing out differences.

It is the policy of the City of Seattle that City funding of social services facilities not be refused on the basis of neighbors’ opposition. The City supports the location of appropriate services throughout Seattle. A social service facility should not be excluded from a neighborhood based on any of the following characteristics of the persons who will be served by such facility: age, ancestry, color, creed, disability, gender identity, marital status, national origin, parental status, political ideology, race, religion, gender, sexual orientation, or use of a guide or service animal by a person with a disability. Nor should any obligation or requirement be imposed that would discriminate on the basis of any of the foregoing.

The City supports social service facilities that will preserve and enhance the strengths of Seattle’s neighborhoods. These guidelines are intended to promote the general welfare by providing guidance that will assist in fostering relationships between the sponsors and clients of City-funded social service projects and the communities in which they are located. The guidelines are intended to benefit the public generally and are not intended to benefit any particular class of persons or to confer any substantive or procedural rights or remedies on any persons or entities.

Nothing in these guidelines shall be construed as a limit or restriction on the jurisdiction or authority of the Mayor, Director of Human Services, or their designees. Any reference to these guidelines or their incorporation in any ordinance, resolution, NOFA, RFP or other document shall not create any such limit or restriction, nor confer any rights, unless expressly so stated.

This policy section is intended to provide guidance to social service agencies, acknowledging that neighborhood notification activities and efforts may vary.

Neighborhood Notification Activities:

Generally, the goal of neighborhood notification activities and efforts should be to promote a positive relationship between the neighborhood and the social service agency. Neighborhood notification activities should begin when a site has been selected and should include, but are not limited to, the following:

1. Prior to submitting an application for City funding; or if there is no application, then before any City Council action to appropriate funds, consult with the HSD. HSD will help identify social service providers in the neighborhood(s) being considered and suggest neighborhood organizations to contact.
2. Prior to submitting an application or if there is no application, then before any City Council action to appropriate funds, contact other social service agencies to learn about a neighborhood's historical and current concerns regarding provision of social services in the neighborhood.
3. Make reasonable efforts to notify neighbors within at least 500 feet of the site prior to submitting an application or if there is no application, then before any City Council action to appropriate funds, if the site is owned by the agency, or after securing site control if property is not owned by agency, using a written notice, letter, poster at the site of the proposed facility and/or flyer. Consider including basic information about the social service agency, proposed project, estimated schedule, contact person, and neighborhood organizations that have also been notified about the project in the written communication.
4. Prior to submitting an application or if there is no application, then before any City Council action to appropriate funds, and after any award of funds or commitment, contact neighborhood organizations, including the neighborhood community council and the local district council, with information about the social service facility, including a schedule for development or expansion of a social service facility and intentions for ongoing communication with the neighborhood. Ongoing communications may include presentation(s) at regularly scheduled neighborhood organization meeting(s), invitation to a meeting hosted by the social service agency, formation of an advisory committee, and/or regular project updates in neighborhood organization publications or posted at local libraries, community centers, etc. Information the social service agency should consider sharing includes the following:
 - Experience as a social service provider, including names and addresses of other social service facilities operated in the City unless such facilities require confidentiality for the safety of the clients served;

- Description of the services to be provided to the clients served at the social service facility, to the extent that it does not compromise the safety, confidentiality or well-being of the client;
- Information about property management and support services, if applicable;
- Mechanisms for communication between the social service provider and neighbors
- Estimated schedule for development or expansion of facility, if applicable; and
- Opportunities for neighbors to provide input on the facility (e.g. names of interested neighborhood organizations and how to contact them; community advisory committee).

Information provided to the community at all phases (including predevelopment, construction, and operation) of the project should be in languages appropriate for the residents of that community.

Typical activities for fostering positive community relations once the social service facility has been funded by the City, is in development or is operational, would include:

1. Maintain communication with immediate neighbors and the neighborhood and community organizations throughout the project's design and construction phase.
2. Invite neighborhood and community organizations and neighbors to project open houses.
3. Establish ongoing communication with neighborhood organizations and neighboring residents and businesses. Promptly address emerging issues and share successes. Provide 24-hour contact person and number if possible to community members.
4. Keep the City apprised of any issues.

These guidelines do not apply to medical or dental facilities or to facilities that, by their nature, require confidentiality of location to protect the safety or personal privacy of clients, such as domestic violence shelters.

Recommendations for Neighborhood Involvement:

1. Encourage social service agencies to be active members of your community. Invite them to neighborhood meetings and events. Build foundation for long-lasting, positive relationship.
2. Communicate concerns about design, operation and/or management of a social service facility. Work collaboratively with the social service agency to identify ways to address those concerns. Community Relations Plans can be used as a tool for formalizing agreements between a neighborhood and social service agency on how to address identified concerns.
3. Make sure the social service agency is informed about what is working.

7.3.3 Appendix J: Seattle/King County Discharge Planning and Coordination Policy

Foster Care:

It is the Washington State Division of Children and Family Services' (DCFS) policy to develop independent living plans with each youth no later than age 16 to ensure a smooth transition from foster care, and it is required that all youth have a transition plan by age 17 1/2. This protocol is agreed to and has been implemented in our Continuum of Care.

"Collaborative Transition Team" meetings take place between DCFS, the King County Mental Health Chemical Addiction and Dependency Services Division (MHCADSD), Developmental Disabilities, health care programs and community-based organizations that provide housing and supportive services to meet the specialized needs of these youth. The YMCA is the contracted agency in King County for both independent and transitional living skills, and works with young people from age 15 to 21 as appropriate. They work with youth to develop plans for when they "age out" of foster care, and housing is a primary focus of these efforts, along with education and employment. Those youth who refuse these services develop plans with their DCFS social workers. A variety of housing options are considered, with options in a given case depending on the individual's income, maturity and skill level. The program makes use of the Education Training Voucher Program and Chafee funds, as well as other non-McKinney-funded programs in the community to assist young people to successfully transition and exit foster care with housing in place.

The "Foster Care to Twenty-One" program allows youth to apply to continue in foster care to age 21 if they are attending college or an accredited vocational program. The program provides these additional years of housing to allow for skill building so that the young person will be able to live successfully on their own. Last year's pilot had 50 slots statewide, and the program will expand to 150 slots in 2008.

To prevent youth aging out of foster care from becoming homeless, housing resources are now in place through the \$1 million statewide annual allocation under the Independent Youth Housing Program that provides housing stipends and case management services for young adults ages 18 - 23 who are exiting the state dependency system. Additionally, \$1.1 million statewide is annually provided to young people who exit the foster care system at age 18, providing health care coverage including mental health and prescription coverage through age 21.

The Committee to End Homelessness Discharge Planning Task Force is working to strengthen partnerships and to expand protocols and programs to ensure that young people aren't discharged from the foster care system into homelessness.

Health Care:

The Medical Respite Program is an agreed-to protocol and formal partnership between Harborview, our county's public/trauma hospital, Health Care for the Homeless, and two local shelters. The program provides short-term recuperative care for persons meeting HUD's definition of homeless who have an acute medical diagnosis, who need to be discharged from the hospital, and would otherwise be on the streets. Staff provides case management designed to link clients with housing, on-going primary medical care, substance abuse and mental health treatment, and other needed services. To ensure housing, the Respite program continues to design and implement new housing placement resources for people, including: 2 set-aside units of transitional housing per month with the Compass Center; 20 permanent supportive housing set-asides at a Plymouth on Stewart, and a dedicated post-Respite case manager (funded with county funds) & housing assistance (Program Based Section 8) for an additional 20 households. None of these dedicated housing resources are McKinney-Vento funded.

In addition, the King County Mental Health Chemical Addiction and Dependency Services Division (MHCADSD) is implementing new programs in 2007 for clients discharged from institutions or at risk of institutionalization by connecting them to housing and services. Two new Programs of Assertive Community Treatment (PACT) Teams will connect 180 adults, discharged from psychiatric hospitals or high utilizers of hospitals, to housing and intensive services. The programs have case management and non-McKinney funded rental subsidies in place for all individuals being discharged from institutions. The above protocols are understood and agreed to by the CoC and the publicly funded institutions in our geographic area.

In 2007 work is being done to further expand our Health Care discharge protocols. On June 21, 2007, the Health Care for the Homeless Network is co-convening an exploratory meeting with select hospitals (University of Washington, Harborview Medical Center, Swedish, Virginia Mason, Auburn, and others) and long-term care facilities to discuss strategies for improving discharge placements of homeless people, and how to fill gaps that are not fully addressed by the existing protocols and programs. The goal is to more clearly identify the scope of the problem and subsequently develop additional protocols and responses. Finally, a possible new tax-resource (county-wide) is being considered for re-entry including discharge from hospitals for those with medical and behavioral health issues. Housing needs are a key component of this re-entry discussion.

The Committee to End Homelessness Discharge Planning Task Force is working to strengthen partnerships and to expand protocols and programs to ensure that people aren't discharged from the health care system into homelessness.

Mental Health:

There are policies in place to prevent most persons exiting from mental health institutions from being discharged into homelessness by providing housing resources and supports to them at exit. The King County Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD) and Western State Hospital (WSH) have an MOU that establishes protocols for discharge planning for mentally ill persons who are transitioning to a community-based setting, and WSH has a protocol ensuring that all clients who are discharged have a housing placement.

These protocols are understood and have been agreed to by the Continuum of Care and the publicly funded institutions and systems of care in our geographic area. Locally MHCADSD and its partner agencies work together to ensure that, to the maximum extent possible, individuals are not discharged to homelessness, including to HUD McKinney-Vento funded homeless programs. The County has more than 480 beds in its residential program, and the mental health providers own or operate more than 1,600 units of housing (all non-McKinney funded).

MHCADSD has four liaisons at WSH. The liaisons' primary responsibility is discharge planning for King County clients. At time of admission to WSH each client is given an assessment by a Liaison within 30 days of admission. Discharge planning starts at that point. The discharge planning ramps up about two and a half months prior to discharge. It is a collaborative team process which includes the MHCADSD Liaison and WSH staff (ward staff, psychiatrist, and social worker).

At the local level MHCADSD has one Liaison to work with all people not already engaged in treatment who are being discharged from local psychiatric hospitals. When a client is ready for discharge and does not have an obvious plan in place or is not connected to one of MHCADSD providers, the client is referred to the hospital liaison who is charged with developing a plan and connecting him or her to an appropriate provider and housing resources.

In addition, through a formal arrangement between a local shelter and the Crisis Triage unit at Harborview, our public hospital and regional trauma center, there are non-McKinney funded Crisis Respite beds available for homeless and mentally ill adults. A multi-disciplinary team provides ongoing assessment, crisis stabilization engagement and short-term case management services. The staff works with these individuals to secure more stable housing and support services.

In addition, MHCADSD is implementing new programs in 2007 for clients discharged from institutions or at risk of institutionalization by connecting them to housing and services. Two new Programs of Assertive Community Treatment (PACT) Teams will connect 180 adults, discharged from psychiatric hospitals or high utilizers of hospitals, to housing and intensive services. The programs have non-McKinney funded rental subsidies available for all individuals served by the PACT Teams who are being discharged from institutions.

Corrections¹⁴:

Our local criminal justice (CJ) system has developed a number of formal protocols and procedures to ensure that persons leaving CJ facilities do not just exit to the streets. These protocols and procedures are understood and agreed to by the CoC and publicly funded systems of care in our geographic area, and none of the housing benefits described below is HUD McKinney-Vento funded.

Through the CJ Initiative (CJI) there are three discharge planners in the King County jail (Seattle and Kent Divisions), and one at Community Corrections (a day reporting center) who target those with mental illness and/or chemical dependency. Housing is directly linked to persons leaving the CJ system in several ways:

(1) For those with co-occurring mental health and chemical dependency disorders who are otherwise eligible, discharge planners link them to co-occurring disorders (COD) treatment in the community; for those who are homeless this program includes a housing component (up to twelve consecutive months). (2) Homeless and substance abusing individuals, who opt into drug or mental health courts, are provided treatment and six month's of rental assistance. (3) Jail Health Services (JHS) also has 3 case managers who carry out transition planning (including housing placement) for targeted populations (i.e., HIV/AIDS inmate-patients; opioid-dependent inmates; inmates with serious, chronic illnesses; and other inmates housed in the Jail's Infirmary). Some designated housing units are available for HIV/AIDS inmate-patients. (4) Through an MOA with the Department of Social and Health Services (DSHS), CJI includes three DSHS financial services specialists and a DSHS social worker to assist persons in applying for entitlements and publicly-funded benefits, including food stamps, publicly funded chemical dependency treatment (ADATSA), and Medicaid. There is an ADATSA case monitor who does assessments in the King County Jail and links persons to chemical dependency treatment upon release from custody. (5) JHS and/or the Department of Adult and Juvenile Detention have formal partnerships/referral agreements with more than 30 organizations providing a variety of services, including housing support.

The Seattle Municipal Court Justice Center outstation also includes a fulltime DSHS staff with the primary responsibility of coordinating mainstream support with other local housing and supports. With regards to the State Department of Corrections, the county has two formal programs for mentally ill offenders being released from State prison: the Dangerous Mentally Ill Offender Program, and the Mentally Ill Offender Community Transition Program. These include housing placement and treatment.

To enhance the above implemented protocols, a number of programs designed to ensure that offenders are not being discharged to homelessness are being initiated. In 2007, MHCADSD is implementing new programs for clients discharged from institutions or at risk of institutionalization that will connect them to housing and services. A Forensic Assertive Community Treatment (FACT) Team will connect 50 adults discharged from jails or high utilizers of jails to housing and intensive services. The program has non-McKinney funded permanent housing rental subsidies in place for all individuals served by the FACT Team who are being discharged from institutions. The City of Seattle Community Court Day Reporting

¹⁴ Please note that "corrections" category refers to local jails and state or federal prisons.

Center is implementing a program designed to provide permanent housing for 45 homeless individuals using City General Funds.

The 2007 Washington State budget added funds through the Mental Health Division for Mental Health Offender Reentry Services. These funds will provide services to an additional 25 offenders leaving the state prison system each year and explicitly includes funds for housing assistance. In 2007 state legislation specific to offenders who are leaving confinement (ESSB 6157) also passed. Among other things it mandates "a pilot program in a minimum of two counties to provide grants to eligible organizations to provide housing assistance to offenders reentering the community who are in need of housing." The pilot is to offer transitional supportive housing and provide housing assistance for a period of up to twelve months. It also allows an offender to obtain the release of funds from his or her personal inmate savings account prior to discharge for the purpose of securing appropriate housing.

The Committee to End Homelessness Discharge Planning Task Force is working to strengthen partnerships and to expand protocols to ensure that people aren't discharged from the CJ system into homelessness.

7.4 HUD Required Certifications

7.4.1 Appendix K - CDBG Sub-recipient Contract Monitoring Plan

Federal regulations at 24 CFR 91.230 require that all Consolidated Plans review a jurisdiction's plans to monitor and evaluate programs supported by the four federal fund sources. The City of Seattle Human Services Department is responsible for the overall administration of the Consolidated Plan and the monitoring and evaluation of CDBG program activities as well as the HOPWA and ESG programs. Office of Housing manages the HOME program. The organizational structure developed to implement the Consolidated Plan has two layers of accountability. The first layer encompasses the operating departments that implement programs with city staff. The second layer encompasses programs implemented by sub-recipients and other entities.

Organizational Framework

The housing and community development and human service delivery system in Seattle is composed of a number of complementary components. Key public partners include the City of Seattle's Human Services Department, Office of Housing, Office for Economic Development, Department of Finance, the Seattle-King County Department of Public Health, and the Seattle Housing Authority. Nonprofit agencies are many and varied: Seattle Housing Development Consortium, Seattle Human Services Coalition, Seattle Minority Executive Director's Coalition, other nonprofit housing developers, community development corporations, provider coalitions, human services and emergency shelter providers, and agencies working with special needs populations.

Within the Human Services Department, the CDBG Administration Office provides centralized monitoring and support to CDBG programs delivered through City offices and agencies. Each year HSD executes Memoranda of Agreement (MOA) with the city departments that administer CDBG funded programs. These agreements identify the responsibilities of the departments and CDBG Administration regarding the implementation, monitoring, and reporting of CDBG activities.

Regulatory Framework

The CDBG regulations (24CFR 570.501 (b)) state that:

“[the grantee] is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of ...sub-recipients...does not relieve the recipient of this responsibility. The recipient is also responsible for determining the adequacy of performance under sub-recipient agreements...and for taking appropriate action when performance problems arise...”

Monitoring Objectives

The City of Seattle has three objectives in its monitoring and evaluation program:

- Ensure that federally-funded activities comply with federal regulations governing administrative, financial, and programmatic operations;
- Monitor each funded activity to gauge whether or not performance objectives can be met within budget and on schedule; and,
- Ensure that city departments operate their programs in accordance with established program policies.

Tiered Monitoring and Evaluation Program

CDBG implementation occurs in two tiers. The first tier includes the three operating departments. These three departments implement certain activities with city staff. The second tier includes those activities carried out by sub-recipients, borrowers, and community-based development organizations, among others.

The Human Services Department - CDBG Administration Office provides oversight and technical assistance to city staff and participates as needed in agency and program assessments and monitoring visits. Memoranda of Agreement with each of the operating departments specify that they will:

- (1) Assure compliance with federal regulations, policies, guidelines, and requirements with respect to the acceptance and use of CDBG funds as specified by HUD;
- (2) Prior to incurring costs, ensure that each project has had an environmental review and, where appropriate with respect to construction projects, that safeguards and contractual obligations are in place to ensure that Davis Bacon and Related Acts wage and work condition requirements are met;
- (3) Prepare a program plan or contract and budget for each funded activity and submit the plan or contract to HSD so eligibility can be determined;
- (4) Provide annual data to ensure that the appropriate national objective is or has been met; and,
- (5) Meet financial requirements by ensuring all costs are documented and supported.

Tier I

Tier I tasks are directed to ensure that the operating departments are meeting their obligations under the Memoranda of Agreement with respect to programs implemented directly by city staff. To do so, the CDBG Administration staff will perform three tasks:

1. Monitor activities implemented by City staff. Some examples are: Multi-Family Housing Fund, Community Facilities RFP, Community Economic Development Program.
2. Work with each operating department to help establish and/or evaluate the system of monitoring and assessment of sub-recipients and other entities including on-site assessment and desk monitoring procedures.
3. Provide up-front technical assistance on eligible activities and other regulatory matters.

Tier II

Tier II tasks are directed to sub-recipients and other entities. These tasks are mainly implemented by departmental staff, as opposed to CDBG Administration staff. However, as part of the annual memoranda of agreement between CDBG Administration and the operating departments, annual monitoring plans are submitted by the operating departments to CDBG Administration for review. Oversight activities by departments include:

1. Develop a risk analysis and criteria used to determine what agencies and projects are selected for on-site monitoring or a full assessment.
2. Review and maintenance of project files to ensure that there are: appropriate documentation of project oversight through monthly desk monitoring, documentation of on-going contact (telephone or on site) between the project specialist and the implementing agency identifying problems and solutions.
3. Review annual monitoring results and three-year in depth formal assessment performed by program staff.

Each year the CDBG Administration staff, with the assistance of program staff from all operating departments, prepares the ***Consolidated Annual Performance and Evaluation Report***. During this time, we determine to what extent objectives and performance targets have been met.

The evaluation is made easier by an outcome-based approach. Using this methodology requires that programs have key results and outcomes that can be tracked and evaluated. Each annual CAPER is reviewed by the City Council and made available to the public for comment prior to its submittal to HUD.

7.4.2 Appendix L – HUD Required Grantee Certifications

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about –
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will –
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

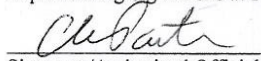
Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.


Signature/Authorized Official

11-5-08
Date

Acting Director
Title

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) , (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.

ABAT
Signature/Authorized Official
Acting Director
Title

11-5-08
Date

**OPTIONAL CERTIFICATION
CDBG**

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Signature/Authorized Official

Title

Date

Specific HOME Certifications

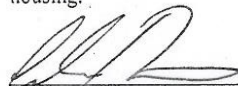
The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.


Signature/Authorized Official

11/10/07
Date

Director, Office of Housing
Title

ESG Certifications

The Emergency Shelter Grantee certifies that:

Major rehabilitation/conversion -- It will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the jurisdiction plans to use funds for rehabilitation (other than major rehabilitation or conversion), the applicant will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51.

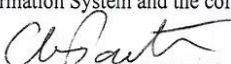
Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy --- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.


Signature/Authorized Official


Date


Title

HOPWA Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.


Signature/Authorized Official

11-5-08
Date

Acting Director
Title